



# Islamic Terrorists Renew Attacks on Christians in Egypt

By Youssef M. Ibrahim  
*New York Times Service*

CAIRO — Breaking a lull in sectarian violence in Egypt, terrorist attacks resumed Monday against Coptic Christians and churches as well as police officials. The attack undercut official assertions that Muslim fundamentalist terror had been brought under control in December with a massive security sweep. Assaults in Dayrut, a fundamentalist stronghold in Upper Egypt, shot and killed a Coptic farm manager Monday morning and wounded a Coptic pharmacist. The shootings followed the burning of a Coptic church Sunday night in the Upper Egypt city of 45,000, where Copts make up 20 percent of the population. The challenge of the fundamentalist terrorists extended to Cairo, with security officials accusing fundamentalists in the overpopulated suburb of Imbaba with burning a police car.

The attacks are almost certainly meant as an attack upon the Egyptian government, whose senior officials, including President Hosni Mubarak and Interior Minister Abdel Halim-Moussa, have gone out of their way to reassure tourists as well as Egyptians that extremist Islamic fundamentalism has been checked by the largest internal security sweep in two decades, which was launched a few weeks ago. About 14,000 security forces raided Imbaba in early December. Thousands more descended on Dayrut and Assut, viewed as the primary strongholds of terrorists from Islamic groups in southern Egypt. The interior minister said more than 1,700 fundamentalists suspected of taking part in an organized campaign to challenge government authority were detained.

The action was motivated by a steep fall in tourism, Egypt's largest source of foreign revenues, with receipts last year exceeding \$3 billion. The flow of tourists dropped by more than 60 percent in December after a string of attacks by Muslim terrorists on British, German and Russian tourists, in which one British woman was killed. These assaults followed a year-long campaign during which at least 70 Coptic Christians and a number of Egyptian policemen were killed. Government critics, particularly Copts, have said the

killings were treated lightly, encouraging the spread of violence. The Sunday and Monday terrorist attacks took place as the interior ministers of Egypt, Algeria and Tunisia began a three-day meeting Monday in Tunis to widen cooperation and exchange of intelligence on the movement and violent activities of Muslim fundamentalists in all three countries. The smaller meeting is part of a larger three-day gathering of 17 Arab interior ministers including those of Saudi Arabia and the Arab Gulf countries that will tackle security problems facing the region in the next five years with fundamentalist violence at the top of the list. The phenomenon is now widespread in Algeria, Tunisia, Jordan, Egypt, Saudi Arabia and Yemen.

The resurgence of the violence in Egypt coincides with a major effort by Mr. Mubarak's administration to address the causes of fundamentalist violence in what amounts to the first admission that poverty, neglect and poor planning will continue to feed extremism unless they are dealt with. A senior official here said that an ongoing review of existing policies will include revamping religious education in schools, taking control of some 120,000 mosques that have sprung up in Egypt outside the government's authority in the past decade to become pulpits for extremist Muslim preachers, and launching a major evaluation of television programming and cultural activities with the aim of instilling a sense of religious tolerance toward minorities and liberalism toward social change. Egyptian intellectuals and Coptic community leaders have called for such changes, arguing that challenging the extremists with police force alone was not enough.

"The government has to reverse the policy of dehumanizing and marginalizing Copts in the school system as well as in the governing establishment," said Milad Hanna, a professor at Cairo's engineering faculty and a leader of the Egyptian Coptic community, which is estimated at 7 to 8 million in this country of 56 million people. "We must recognize Coptic culture for what it is," he said, "a component of Egyptian history over centuries of time that has created the present identity of Egypt."



STAYING ON IN KENYA — President Daniel arap Moi being sworn in Monday in Nairobi to a five-year term. Mr. Moi, 68, who has been in office 14 years, was declared the winner of Kenya's first multiparty elections in 26 years amid opposition charges of rigged balloting. The U.S. State Department also asserted Monday that there were serious irregularities favoring Mr. Moi's party.

# Israelis Arrest Dozens in Hunt for Killer

Compiled by Our Staff From Dispatches

JERUSALEM — Dozens of Palestinians were arrested Monday during a search for two Muslim extremists who killed an Israeli undercover agent.

One of the suspects had worked as an informant inside the militant Islamic movement Hamas, the police said. Five of his relatives were among those arrested as hundreds of soldiers and police searched the occupied West Bank and Gaza Strip, according to military sources. Troops were deployed in and around Bethlehem and imposed a curfew on a refugee camp on the edge of the West Bank town of Aida after an exchange of gunfire, the Palestinian press agency PPS reported. Seven people were arrested at the camp.

The police said fundamentalists killed the undercover agent, Haim Nachmani, at a safe house in the Rehavia neighborhood of West Jerusalem, where he had gone to meet an informant from Hamas. "This murder," said Housing minister Binjamin Ben-Eliezer, "marks a new escalation following the slaying on Dec. 15 of a border guard by Hamas terrorists."

Representatives of the hundreds of Palestinians trapped in a no-man's-land after being expelled by Israel said Monday that the killing of the secret policeman proved that the Jewish state was wrong to deport them, since it showed that the expulsions had failed to curb the five-year revolt against Israeli rule in the occupied territories. Foreign Minister Faris Bouez of Lebanon told Voice of Lebanon, a Christian-run radio station, that Arab League foreign ministers meeting in Cairo on Monday, would call on the United Nations Security Council to draw up a timetable and mechanism to carry out its Resolution 799. The resolution demands that Israel arrange for the immediate and safe return of the deportees, who were sent to southern Lebanon three weeks ago. Mr. Bouez said international law required that Israel as the occupying force should "shoulder the responsibility for the safety and security of the citizens under occupation." Israel said the deportees are outside its so-called security zone and are in Lebanese territory. (AP, Reuters)

# 23 Blacks Die in South Africa Clashes

JOHANNESBURG (AP) — At least 23 people were killed in unrest across the country, and a farm was bombed Monday in a possible attack by black radicals, the police said. They said two explosions badly damaged a farm building near Port Elizabeth on the east coast, but there were no injuries. They said the bombing might be linked to the Azanian Liberation People's Army, which has attacked farms and other targets in the region in recent weeks, killing at least five whites. The guerrilla group opposes talks between mainstream black groups and the white government on ending apartheid. It advocates that blacks seize power. The police also said at least 23 blacks had been killed in scattered violence across the country since Friday. Most of the incidents were in black townships and appeared linked to factional violence.

# Passive Smoking Deaths in Europe

LONDON (Reuters) — Passive smoking kills nearly 140,000 people in Europe every year through heart disease and cancer, a British scientific report said Tuesday. Tobacco-smoke pollution is the most important environmental pollution suffered by nonsmokers and is the greatest known mass carcinogen in history, said the report, issued by the Association for Nonsmokers' Rights pressure group. Of the 139,500 estimated deaths in Europe, the report said 15,200 adults died of passive smoking in Germany every year, 11,100 in Italy, 10,900 in France, 10,700 in Britain and 7,400 in Poland. "These figures do not include the deaths of unborn children: newborn babies or young infant deaths caused by their parents' smoking, so the death toll is even more appalling than the adult totals," the report said.

# 25 Killed on a Tourist Bus in Mexico

MEXICO CITY (Reuters) — A bus loaded with foreign tourists overturned near the Mexican resort of Cancun and hit into a high voltage electricity transformer, killing 25 passengers, officials said Monday. The police and hospital officials said the victims were mostly from the United States but also from Brazil, Canada and possibly Japan. "We have registered 25 deceased and 28 injured," a police official said. "Most of them are from the United States." The bus was burned out following the crash Sunday, which occurred as the tourists were heading from Cancun, on the tip of the Yucatan peninsula, to ruins of Mexico's ancient Maya civilization at Chichen Itza. The police said the crash occurred because the driver was going too fast.

# 13 Are Killed as Cyclone Strikes Fiji

SUVA, Fiji (Reuters) — A cyclone ripped through the Pacific island nation of Fiji, killing 13 people and forcing the evacuation of about 10,000 people, officials said Monday. Six fishermen were still missing, they added. A spokesman for Fiji's National Disaster Management Council said Fiji's main island, Viti Levu, had been virtually cut in half after its three main bridges were washed away by floods. The full extent of the damage was still not known. Those areas that were hit the worst on Viti Levu's west coast, site of Fiji's airport, were still without power or communications, an official said. He added that the cyclone, designated Kina, with winds of up to 200 kilometers (125 miles) an hour, was the worst to hit Fiji in 20 years.

# Correction

A report in the Dec. 15 editions on the earthquake in Indonesia misidentified one of the islands that was affected. It was Pulau Babi. There was no devastation on Bali.

# TRAVEL UPDATE

P and O European Ferries, the biggest cross-channel ferry company, said Monday that it was closing its service between Dover and Boulogne and would concentrate on short routes to compete with the English Channel tunnel, due to be opened in December. P and O said it would concentrate on the busy Dover-Calais route, which carried 7.4 million passengers in 1992, up 18 percent from 1991. (AFP)

After two years in development, a meatless burger was launched Monday in the Netherlands by McDonald's, the American fast-food chain. The "veggie burger" — made of potatoes, peas, sweet corn, carrots, onion and spices — went on sale at 84 Dutch outlets following test marketing, a McDonald's spokeswoman said. It costs slightly less than a Big Mac. (Reuters)

The number of British drivers who failed a police alcohol breath test over the Christmas period fell to its lowest level since testing began in 1967, the Transport Ministry said Monday. Provisional figures issued by the Association of Chief Police Officers put the proportion of over-the-limit drivers at 7 percent, down from 7.8 percent in 1991. (UPI)

Colonial Williamsburg, the restored 18th-century Virginia town that originally was built in part on the tobacco trade, has banned smoking, chewing or snuffing tobacco in all of its more than 50 major historic buildings and numerous lesser structures. The ban also applies to the town's 3,400 employees, including about 500 costumed workers, some of whom smoked pipes while re-creating 18th-century characters. (WP)

The Japanese Transport Ministry is considering relaxing regulations on international charter flights, a ministry official said. The move is aimed at increasing tourism abroad from smaller Japanese cities that lack international airports, industry analysts said. (Reuters)

# WARNING: Cheney's Advice

(Continued from page 1) for resorting to violence and a reversal of the reform process is clearly there."

Asked about Iraq's continued testing of the United Nations-mandated postwar sanctions, Mr. Cheney said, "It would be a big mistake for the Iraqis to assume that there is going to be any change of policy."

Mr. Cheney pointed out that his designated successor, Representative Les Aspin, "led the charge" on Capitol Hill in support of military action against Iraq, and predicted the incoming Democratic administration will take a hard line against Iraqi violations.

Last week, a U.S. jet downed an Iraqi MiG that had flown 20 miles inside the zone that had been established to protect Iraq's Kurdish minority from air attacks.

Mr. Clinton can expect Saddam Hussein, the Iraqi leader, to continue "pushing right up to the edge as he has from time to time since the end of the war," Mr. Cheney said. "I think it would be a mistake for him to assume that things are going to be any different under Clinton than they've been under President Bush," he said of Mr. Saddam.

Mr. Cheney, 51, also said he would consider a presidential run in 1996. Mr. Cheney, the White House chief of staff under President Gerald R. Ford in the mid-1970s and a former congressman from Wyoming, said he looked forward to a possible return to politics. "People from time to time talk to me about running for president," he said. "What I've said is that when the time's right I will sit down and look at it."

"I haven't ruled anything in," he said. "I haven't ruled anything out. It's just like military options." Mr. Cheney said he feared that a Democratic administration and a Democratic-controlled Congress would cut defense too deeply and too fast and possibly allow the North Atlantic Treaty Organization to disintegrate.

"You need to be, I think, not quite so eager as some of our friends in the other party have been to dramatically reduce the U.S. presence in Europe," he said. He said that if there were to be a

reversal of positive trends in Russia, one of the consequences would be "the possibility of instability developing in ways that would be difficult for us to cope with if we had dramatically weakened our presence in Europe."

Mr. Cheney said he would join the American Enterprise Institute, a conservative Washington research center, and that he had already lined up political fund-raising speeches on behalf of Republican congressmen in several states. (AP, Reuters)

# BOSNIA: Recess in Talks

(Continued from page 1) of all factions, chaired by Mr. Vance and Lord Owen, that took stock of three days of bargaining to end the nine-month Bosnian war.

"There are some serious differences among us but we can overcome it," said Dobraica Cosic, president of the Serbian-led rump state of Yugoslavia, who took part in the talks along with the Croatian president, Franjo Tudjman.

Earlier in the day, Mr. Izetbegovic said that there would be no point in the Bosnian government's continuing the peace talks if the Serbs did not agree to his key points on weapons and sovereignty.

"We will not give up on these two principles," he said at a news conference.

Mr. Izetbegovic indicated if there was no political settlement, the Bosnian government would seek to liberate Sarajevo and other besieged cities by military means.

While the peace talks were in session, government troops and Serbian rebels battled on across Bosnia-Herzegovina on Monday.

Bosnian radio reported an infantry attack supported by artillery around the northern Muslim-held town of Gradacac, which has been under siege by Serbian forces for more than eight months.

It said there was also shelling on the nearby Bosnian-controlled road from Doboj to Teslic, as well as in the central Bosnian region around Turbe. (AP, Reuters)

# SOMALIA: Warlords in Talks

(Continued from page 1)

tween two loose alliances with Mr. Ali Mahdi on one side and General Aidid on the other, were clearly not yet ready to bury their deep-seated hatred of each other.

"Aidid is responsible for hundreds of thousands of deaths; he doesn't deserve to be here," said Mohammed Said Samatar of the Somali National Front, one of the four groups that boycotted the start of the talks.

General Aidid, who diplomats say only agreed to attend under intense pressure from U.S. officials, is also angry with the United Nations, which he says favors his enemies.

In Washington, Mr. Cheney denied that plans had been made to quickly turn over the role of providing food and medical aid shipments in Somalia to a UN peace-keeping force, although he said talks were under way with relief groups and other organizations.

"I think it's fair to say that by the end of the month we will have begun to reverse the flow, if you will, and begun to redeploy to the continental United States some portions of the U.S. forces that have been deployed over there," he said.

"But that will be a beginning. We will by no means have a large number redeployed by then."

Mr. Cheney confirmed statements by U.S. military officials in Somalia that the Pentagon had decided to reduce the number of troops being sent to Somalia to 24,000 from 28,000 because of cooperation from other countries in sending forces.

But the secretary, who will leave office on Jan. 20 when President George Bush is succeeded by Bill Clinton, stressed that Somalia was still not free of widespread violence.

As an example, he cited the murder of a British relief worker for Unicef in the southern port of Kisumu on Saturday.

# Protest March Over Eritrea Turns Violent

Compiled by Our Staff From Dispatches

ADDIS ABABA, Ethiopia — At least 1,000 Ethiopian students clashed with security forces Monday during a protest march against independence for Eritrea.

Witnesses said up to 17 people were killed, but there was no way to confirm the figure. At least 30 students were injured, some with gunshot wounds, hospital sources said.

The students, opposed to secession of the Red Sea province of Eritrea, wanted to deliver a petition to the United Nations secretary-general, Boutros Boutros Ghali, at a conference center where he is attending talks between Somali factions.

Eritreans fought for independence for 30 years until the overthrow of the Ethiopian leader, Lieutenant Colonel Mengistu Haile Mariam, in May 1991. UN observers are expected to monitor a referendum on independence there in April.

The new Ethiopian government is closely allied with the Eritrean People's Liberation Front, the former guerrilla movement that now administers the province. (Reuters, AFP)

"There's still a lot of work to be done to provide for the kind of secure environment that we would like to be able to pass on to the UN," Mr. Cheney said.

Colonel Michael W. Hagee of the Marines, a spokesman for U.S. military forces, said that army investigators would try to determine who had killed the relief worker, Sean Devereux, 28, employed by Unicef as a logistics expert.

Mr. Devereux was shot and killed as he left his office with two Somali employees of the agency. (Reuters, AP)

# Sihanouk's Protest at Violence Judge Vows To Speed Inquest in Hong Kong

By Philip Shenon  
*New York Times Service*

BANGKOK — Prince Norodom Sihanouk said Monday that he would no longer cooperate with the UN peacekeeping operation in Cambodia and with the Cambodian government as a protest over continued political violence in his country.

The prince, Cambodia's head of state and its former king, said in a letter made public Monday that his decision was made "in light of the extreme gravity and persistent continuation of the crimes perpetrated" against a political party aligned with his family.

The letter was addressed to Yasushi Akashi, head of the UN Transitional Authority in Cambodia, and was released in Beijing, where the 70-year-old prince has a home and is receiving medical treatment.

While his announcement was a further blow to the peace process, foreign diplomats said the prince was likely to resume his cooperation with the UN force if the peacekeepers were able to stem politically inspired bloodshed. More than 20,000 UN soldiers and civilian workers are in Cambodia to prepare the country for elections scheduled for this spring.

Election plans have been placed in question by reports in recent weeks of assassination attempts and grenade attacks on the offices of some of the 20 opposition political parties registered with the United Nations.

Prince Sihanouk said in his letter to Mr. Akashi that he was distressed by attacks aimed at the political party known by the French acronym Funcinpec, which is led by the prince's son, Prince Norodom Ranariddh.

The prince's office in Beijing said that at least six people have died in attacks against Funcinpec offices. Opposition politicians have blamed much of the political violence on the Cambodian government led by Prime Minister Hun Sen.

In a separate letter to Mr. Akashi dated Sunday, Prince Sihanouk asked "how could democratic elections worthy of that name take place with certain legality" if Cambodia "again becomes a country without trust and law?"

The United Nations announced last month that it would begin to provide 24-hour security to politicians and the offices of political parties thought to be at risk of attack, and that it would establish special courts to punish anyone responsible for political violence.

Prince Sihanouk led Cambodia from 1941 to 1970 and is thought by many Cambodians to be the only person capable of unifying that shattered nation. He is now the chairman of Cambodia's Supreme National Council, which represents the major factions involved in

Cambodia's nearly 13-year civil war.

Mr. Akashi, the Japanese diplomat who is leading the United Nations force in Cambodia, is expected to travel to Beijing this month to meet the prince and to try to persuade him that the United Nations intends to do all it can to stop the violence.

The United Nations has said that it intends to hold elections even if Khmer Rouge guerrillas continue to violate the UN-sponsored peace treaty.

The Maoist-inspired Khmer Rouge, the most powerful of the three rebel factions in Cambodia's civil war, has refused to disarm, and its guerrillas have been blamed for repeated attacks on UN peacekeepers.

Log Exports Violate Ban

A UN spokesman in Phnom Penh said logs were still being trucked across the Cambodian border to Thailand despite a ban on such exports, Reuters reported.

In Bangkok, however, the Thai armed forces commander said no logs had been brought into Thailand since the ban began on the first day of the year.

The ban on exports of whole logs was imposed by Cambodian national reconciliation leaders to prevent depletion of the country's forests. If successful, it would deprive the Khmer Rouge guerrillas of a huge source of revenue.

# CLEAN: Graffiti Vandals See Handwriting on the Wall

(Continued from page 1)

a foreign customer when the entire side of one train was spray-painted while sitting in the yard.

With the delivery deadline bearing down, repainting seemed unavoidable. It would take weeks. Then a company official thought of Mr. Neumann, who arrived with five men and cleaned the train in a day.

Graffiti began appearing in Germany about 20 years ago, experts said. But since the mid-1980s, the vandalism has increased sharply — part of the Americanization of German popular culture.

Britain, France and other European countries are also increasingly afflicted by graffiti vandalism, although the phenomenon is so recent that they have not yet made heavy investments in seeking means to remove it. While no official figures exist, the Berlin Transport Service paid about \$2.5 million to remove graffiti

last year, and government officials estimate that the annual damage nationwide is approaching \$100 million. The country's historically pristine trains and subways are the most popular target.

"Graffiti has become an enormous problem here," said Konrad Lorenz, the director of Berlin's transit system. "It's mostly kids between 11 and 15 years of age. They try to outdo each other in painting unpainted objects. The first to paint something is the winner, the victor. Trying to find them or protect against them is almost impossible. You can't have a watchman or policeman everywhere."

While enjoying his growing reputation as a graffiti-killer, Mr. Neumann's sights are set on what most Europeans consider the mecca of vandalism — New York City.

"That's where it all began," Mr. Neumann said. "All those subway cars covered with graffiti. All those buildings." He has written to the

New York City Transit Authority in the hope that it will test his product.

Unfortunately for Mr. Neumann, American cities have made great strides in combating graffiti, and New York has led the way. E.C. Slaght, manager of car appearance and chemical materials for the Transit Authority, said the authority's use of graffiti-removing products was only 20 percent to 25 percent of what it had been six or seven years ago.

"That was the high-water mark," Mr. Slaght said. "In the last half of 1983, we began our clean and graffiti-free program. At that time, every one of our 6,000 cars had some kind of graffiti on it. We've slowly brought that down to almost nothing by closely inspecting the trains at the end of every run and pulling trains with graffiti out and cleaning them within 24 hours. The program has now been extended to our stations."

could be fashioned into a crude nuclear weapon. By that measure, the load that arrived in Japan on Tuesday would be sufficient to produce 100 to 150 weapons.

For the Japanese, the most delicate problem was how to respond to suspicions throughout Asia that Japan had more than just its nuclear power program in mind when it set up the plan. No one has explicitly accused Tokyo of secretly harboring ambitions to build a bomb.

But many have said that it need not do so. The mere presence of the plutonium on Japanese soil, combined with the country's technical skills, would make it a de facto nuclear power, they claim.

"By getting to the plutonium business, Japan is demonstrating a nuclear weapons potential that its neighbors will not ignore and may soon emulate," said Paul Leventhal, the president of the Nuclear Control Institute, an anti-proliferation group in Washington. "By permitting Japan to recover plutonium from U.S.-supplied nuclear fuel, the United States is a partner in that process."

Japanese officials dismiss such claims as the wild imaginings of extremists, pointing out that for years Japan has held to a commitment never to build or possess nuclear weapons.

# DEATH NOTICE

## COMTESSE DE CHAMBERET

Gael Elton Mayo, Comtesse de Chamberet, on Friday 16 October 1992, peacefully after two heroic decades fighting cancer. Gael, painter, writer, composer and all-round life-enricher, widow of Georges de Chamberet and beloved mother of Georgia de Chamberet, Guislaire Morland and Stephen Gebb, as well as cherished and admired friend to so many the world over. Following a funeral service held at the Russian Orthodox Church, Ennismore Gardens, London, her ashes were buried in the Jura beside the Château de Fontenay into which her gentle arts once breathed new life. Memorial Service at Long & Ryte Art International, 4 John Lisle Street, London SW1 on Tuesday 12 January 1993 at 6 p.m.

# TRANSITION / REPUBLICANS AND THE CABINET

## ★ POLITICAL NOTES ★

### Democrats Now Jockeying for the 'Real' Jobs

WASHINGTON — Now that President-elect Bill Clinton has chosen his cabinet, jockeying for the "real" jobs — at the assistant secretary and deputy levels — is reaching new heights, or lows, depending on one's point of view.

A Senate aide who is not among the job-seekers recently said it was "cannibalism out there," as thousands of Democrats vie for senior policy positions throughout the government.

The choice for the coveted job of solicitor general — the government's advocate at the Supreme Court — is likely to be made soon, transition sources said, because the new administration hopes to put its stamp quickly on cases already before the court.

The list of candidates seems to have expanded, Washington sources said, with the inclusion of Floyd Abrams, a New York litigator and First Amendment expert, and Conrad K. Harper, another prominent New York lawyer, who recently ran the New York City bar association.

Then there are hundreds of White House jobs, with a dozen or so generally thought to be plum.

Mr. Clinton came back from his New Year's holiday break facing some tough — and potentially divisive — choices over who will get those jobs. A spate of aides who worked on his campaign, all in their early or mid-30s and anxious to make their marks, are angling for top slots. But if Mr. Clinton sticks to his campaign pledge to keep the White House staff small, there will be fewer of these jobs than in previous administrations.

Clinton-watchers warn that giving these staff members short shrift could hurt morale right from the start.

A lawyer working on the transition and believed to have an inside track on the White House counsel's job is James Hamilton, a Washington attorney who is a legal counsel to the transition and has been in charge of vetting of potential nominees.

But another source, asked about Mr. Hamilton, said, "One thing I can tell you is that the White House counsel is going to wear a dress to work every day." (WP, LAT)

### Bush Tune Abroad: Singing Clinton's Praises

WASHINGTON — President George Bush, who failed to convince voters that Bill Clinton would be a bad president, is now trying to convince foreign leaders that his successor will do a good job.

Returning to Washington shortly before midnight on Monday, Mr. Bush completed an 18,750-mile (30,400-kilometer) odyssey that took him to France, Russia, Saudi Arabia and Somalia — his last overseas visit as a world leader.

In Riyadh, Mogadishu, Moscow and Paris, his message was the same: Don't worry about Bill Clinton.

In the final days of the campaign, Mr. Bush mocked the foreign policy skills of Mr. Clinton and his running mate, Senator Al Gore, saying, "My dog, Millie, knows more about foreign affairs than these two bozos."

But Mr. Bush used the final foreign trip of his presidency to make amends, offering assurances to President Boris N. Yeltsin of Russia, President François Mitterrand of France and King Fahd of Saudi Arabia.

"I am one who wants very much to see Governor Clinton succeed as president," he said Sunday during a news conference with Mr. Mitterrand.

"When I say to my friends, such as President Mitterrand, that I believe he will find Governor Clinton a good man to work with on these important problems, I can say that from the heart," Mr. Bush said. (Reuters)



President Bush being greeted by his dog as he returned to the White House from his final presidential trip overseas.

### Officially at Least, He Won't Be Just Plain Bill

He may have campaigned as just plain Bill, but the soon-to-be 42nd president of the United States plans to take his oath of office in a more formal fashion. The official invitations invite recipients to "the more formal inauguration of William Jefferson Clinton." That puts Mr. Clinton in step with his predecessor, who took the oath as George Herbert Walker Bush, but not with the last Democratic president, who passed up the names James and Earl and took the oath simply as Jimmy Carter. (LAT)

### Quote-Unquote:

James K. Kitchel, a bowler at Nick Rinaldi's Bowling Lanes in Alexandria, Virginia, across the Potomac from the White House, commenting on the bowler in the lane to his right, Vice President-elect Al Gore: "He's shorter and fatter in real life. No, you better change that to shorter and more robust." (NYT)

### Away From Politics

- Sol Wachtler, former chief judge of the New York State Court of Appeals, has requested a new delay in court proceedings stemming from his November arrest on harassment and extortion charges, arguing that he needs more time for "medical testing and treatment." He is accused of threatening to kidnap his former lover's daughter.
- The first close-up photograph of a speeding asteroid whose path in space crosses Earth's orbit, raising the possibility of a fiery collision on some far-off day, was made public on Sunday by NASA. The image of the four-mile-long asteroid, named Toutatis, was made by ground-based radar on Dec. 8 as it zipped past Earth at a distance of 2.2 million miles, a near-collision by celestial standards.
- Michael Milken, 46, the former junk-bond dealer who came to embody Wall Street excesses during the 1980s, has been released to a halfway house after serving 22 months in prison for securities fraud, authorities in Los Angeles said Monday.
- Ezra Taft Benson, 93, president of the Mormon Church, is recovering from pneumonia, a church spokesman said. He remained hospitalized in serious but stable condition Monday in Salt Lake City.
- A black man who authorities said was kidnapped by three white men, robbed, doused with gasoline and set afire was in critical but stable condition Monday, the authorities in Valrico, Florida, said. They are investigating whether the assault was racially motivated.
- Many state and local pension plans are dangerously underfunded, jeopardizing retirement checks for hundreds of thousands of teachers and other public employees, according to a study by the federal General Accounting Office.
- A recently divorced veterinarian tried to poison his five children while visiting them for the weekend, the police in Baton Rouge, Louisiana, said. They said Stanley H. Zukowski, 42, apparently gave them a drink laced with xylazine, an anesthetic used on animals that can be fatal to humans. All five children were hospitalized. (NYT, AP, AFP, Reuters, LAT)



President-elect Bill Clinton meeting the press at the airport in Hilton Head, South Carolina, at the end of a short vacation at the resort.

## Republicans Drop Threat to Nominees

By David S. Broder  
*Washington Post Service*

WASHINGTON — Senate Republicans appear to be backing off their threat to hinder confirmation of Bill Clinton's cabinet appointments.

The Senate minority leader, Bob Dole, Republican of Kansas, set off nervousness in Little Rock, Arkansas, a couple of weeks ago when he disclosed that he had begun a coordinated effort to collect information on the Clinton nominees.

The operation that Senator Dole had asked Senator Trent Lott, Republican of Mississippi, to run was immediately named a "hit squad."

There was talk that the Republicans would be as tough on Mr. Clinton's choices as the Democrats were four years ago when they refused to confirm John G. Tower, President George Bush's first choice for secretary of defense.

But with the start of confirmation hearings just days away, interviews with Senators Dole, Lott and others suggested that the grilling will be selective and, in most cases, nonthreatening.

"We don't have a hit team," Senator Dole said. "We're not in the business to try to block everybody, and we wouldn't if we wanted to. Obviously, most of the nominees will sail right through."

"It will just be the normal process, and if something pops up, we'll pursue it. But you start out with the general view that the president is entitled to have his people on board, unless there is some glaring reason not to," Senator Lott said.

Senator Dan Coats, Republican of Indiana and a member of the Armed Services and Labor and Human Resources committees, said: "Republicans are pretty pleased about the foreign policy and national security appointments. The social and domestic policy areas may be where conflict arises."

In particular, Senator Coats pointed to Mrs. Shalala, now chancellor of the University of Wisconsin at Madison, as "the appointee who may raise as much interest and controversy as any."

"I expect she'll be confirmed," he said, "but there will be questions raised" about her policies at the university and her "apparent lack of experience with welfare and health policy."

"A lot of parents — Clinton voters as well as people from the religious right — are concerned about 'political correctness' standards changing the curricula their youngsters are taught or the state creating a campus environment where anything goes," he said.

Senator Dole and others expressed doubts that the hearings would venture into the personal lives of the nominees, as happened with Mr. Tower, the former Texas senator who was subjected to much questioning about his alleged alcohol abuse and treatment of women.

"People who were very close to Tower haven't forgotten," Senator Dole said. "But I don't think you apply a 'Tower test' or any other test to every nominee. That would be a rather long, arduous process."

Senator Simpson said, "Some on our side will say, 'They did it to us, so we'll ask this guy what he did when he was 24.' There will be some of that. There will be some groups keeping score that will want us to do that. But we can't be using anonymous charges from FBI files the way they did against John. I hope we'll have no more of that."

And Senator Coats offered a reason — not very flattering to Mr. Clinton — why the new president's appointees might not face the kind of questioning that the late Mr. Tower did.

"A lot has changed in attitudes toward character questions of people who hold office in the last four years," Senator Coats said, "and no one has broken the barrier more than Bill Clinton did."

Referring to Mr. Clinton's success in surviving questions about his marital fidelity, Senator Coats said: "This is a different day. If these rules didn't apply to Clinton, why should they apply to others?"

## Health Costs Most Worry America's Poorest 25%

New York Times Service

WASHINGTON — Even more than finding a job or paying the rent, low-income Americans worry most about paying doctors and hospital bills, according to a new survey of families who make less than \$20,000 a year.

Health-related concerns accounted for five of the top-10 problems that low-income Americans said they had faced in the previous 12 months, the study found. While 10.6 percent said they had worried about making rent or mortgage payments, 18.3 percent said they were most concerned about paying medical bills. Finding a job was No. 2, and paying rent was No. 8 on the list of concerns.

The authors of the study said they were surprised by the results because they had expected the poor to list basic needs like food and shelter and problems like crime, drug abuse and violence in their top concerns. The last three problems did not even make the top-10 list.

"It is testimony that the health insurance crisis has really reached new heights," said Drew E. Altman, president of the Henry J. Kaiser Family Foundation, which paid for the study. The foundation works to improve health care for low-income Americans.

About 80 percent of the interviews of members of 1,900 low-income households were conducted in person at respondents' homes, primarily because many low-income people do not have phone service, said Robert J. Blendon, chairman of the Department of Health Policy and Management at Harvard University's School of Public Health and one of the study's authors.

"In a country fixated on the problems of the middle class, the safety nets are failing" to provide many low-income people with basic needs, he said.

The report called for improving existing social programs to help the most disadvantaged and for more "surgical" remedies. For example, it called for some form of universal health coverage; expanding eligibility for the earned-income tax credit, which is provided to low-wage workers; and changes in welfare policy to avoid penalizing people for working.

Because welfare benefits are automatically reduced if a recipient starts working, people often make

## Americans Are Returning To Newspapers

New York Times Service

NEW YORK — People are actually reading newspapers in numbers large enough to lead some analysts to say that the industry's most troubling long-term trend, a decades-long readership slide, may have been reversed.

A larger percentage of adult Americans read newspapers last year than read them the year before, the analysts said.

"There's a lot of life in the old mare yet," said Albert E. Gollin, research director of the Newspaper Association of America, the national publishers' organization.

Thirty years ago, 77.6 percent of Americans read daily newspapers, according to a much-cited annual survey by Simmons Market Research Bureau. Simmons has documented a persistent decline over the years, to 62.4 percent in 1990.

A few blips have appeared in readership numbers over the last three decades, but none, Mr. Gollin said, offered the hope of last year's increase. Simmons showed a jump in the percentage of adults who were daily newspaper to 62.6 percent last year, from 62.1 percent in 1991. That represented an increase to 115.3 million readers, from 113.3 million. Sunday editions drew nearly four million more readers in 1992.

## Clinton Welcomes Yeltsin's Invitation To Early Meeting

The Associated Press

LITTLE ROCK, Arkansas — President-elect Bill Clinton accepted President Boris N. Yeltsin's invitation to a summit meeting, and the two men spoke by telephone on Monday, but Mr. Clinton said such a meeting probably would not happen until he and Congress got started on America's problems.

Mr. Clinton, speaking after Mr. Yeltsin and President George Bush signed the START-2 treaty in Moscow on Sunday, said the Russian leader had asked for a meeting "pretty soon."

When the two leaders spoke by telephone, the president-elect called the newly signed treaty a "historic achievement," according to Mr. Yeltsin's spokesman, Anatoli Krasikov.

Both stressed the need for a working meeting to avoid a lull in U.S.-Russian relations and to work toward implementing START-2, Mr. Krasikov said.

Mr. Clinton's spokesman, George Stephanopoulos, said that Mr. Clinton and Mr. Yeltsin had a "very good" 20-minute conversation in which Mr. Clinton congratulated Mr. Bush and the Russian president for their work.

"He also pledged to do everything he could to get early ratification of this treaty," the spokesman said of Mr. Clinton. He said Mr. Yeltsin placed the call to the president-elect, and they spoke through interpreters.

Mr. Yeltsin also told Mr. Clinton that he supported the U.S. position in war-torn Yugoslavia, Mr. Stephanopoulos said.

Mr. Stephanopoulos said that Secretary of State-designate Warren M. Christopher would work with the Russian foreign minister, Andrei V. Kozirev, to establish a framework for future discussions and set up an early meeting between the two leaders.

■ Clinton 'Very Pleased'

Michael Kelly of The New York Times reported earlier from Hilton Head, South Carolina:

Speaking at the airport in Hilton Head just before returning to Little Rock after a six-day family vacation, Mr. Clinton said he was "very pleased" to have received Mr. Yeltsin's invitation.

Mr. Clinton took pains several times during a brief news conference to indicate strong support for President Bush's policies on Russia and Somalia, the major stops on Mr. Bush's journey.

Asked whether he planned to make any dramatic changes regarding U.S. policy on START-2, the strategic arms reduction treaty signed Sunday, or on Somalia, Mr. Clinton said emphatically no.

[The government of Belarus on Monday joined Ukraine in welcoming the START-2 treaty but said more countries should have been represented at the talks, Agence France-Presse reported from Moscow.]

"With regard to Russia and Somalia, the two things that are part of the president's trip, I don't think you can look forward to dramatic changes," he said. "I hope we'll see some progress. I hope we can conclude the mission in Somalia successfully."

"But I've said all along that when the president decided to send our troops there, and he said he hoped the main mission would be over by Jan. 20, we couldn't hold him to that and we're doing what we have to do there."

Publicly issuing the invitation in Moscow, Mr. Yeltsin called for a meeting with Mr. Clinton in a neutral country as soon as possible and said that a lull in relations between the two countries would be "cause for concern."

Mr. Bush sought to assure the Russian leader, saying: "I've talked to President-elect Clinton enough to know that he is most interested in keeping this U.S.-Russia relationship on the high plane at which it stands right now."

Speaking of the message from Mr. Yeltsin, Mr. Clinton said he had received a "a very warm and somewhat lengthy" letter from the Russian president a few days ago, "following up on the communication we had about START-2 and about President Bush's going to Russia to sign the treaty."

"I do look forward to meeting with him early," Mr. Clinton said. "And I do think he is genuinely committed to democracy and to a free and a more prosperous economy in Russia, and I do think the United States has a very big stake in the success of freedom and democracy there. I am very pleased at the progress that has led to the START-2 success, and I appreciate the comments both he and President Bush have made facilitating this transition, and I look forward to working with him."

## CLINTON'S FIRST 100 DAYS

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Q1. President Clinton's approval rating (% of favorable judgment), as measured by the first Louis Harris poll published after April 30, 1993 will be:

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Q2. The Dow Jones industrial average at the 4 P.M. close on April 30, 1993 will be:

Q3. The Trib Index (see first business page for details) on April 30, 1993 will be:

Q4. The value of the U.S. dollar in Deutsche marks or yen at the 4 P.M. close in New York (as reported in the Trib) will be (choose either currency):

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- No purchase required to enter this competition. IHT employees or staff not eligible.

This announcement is your entry form (no more than one entry per contestant, please) and must be postmarked or faxed no later than January 19, 1993 to:

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# For U.S. Clown, London Pratfalls

## What Tickles the Brits? Not the Levitation Gag

By Eugene Robinson  
 Washington Post Service

LONDON — When Dan-  
 iel Payne landed here in  
 November, groggy and  
 jet-lagged after a long  
 flight from Los Angeles, she  
 was met by jeering protesters in  
 wigs and floppy feet. Shaving-  
 cream pies were thrown in  
 anger. That crisis soon subsided, but now  
 she must go out each day to face  
 crowds of dour, unsmiling  
 Colonel Farquhars with their funny bones  
 surgically removed.

Payne, who has reached her mid-  
 30s without developing the ability  
 to keep a straight face, became the  
 focus of one of the year's more  
 unusual labor disputes when a Brit-  
 ish circus operator chose her to be  
 one of the stars of his annual  
 Christmas show in London.

The impresario, a former clown  
 named Gerry Cottle, announced he  
 had decided to import an American  
 because British clowns just aren't  
 funny.

Clowns International, the British  
 clowns' union, failed to see the  
 humor in Cottle's snub. "Feelings are  
 running high among British  
 clowns," Leon Laurence, the  
 Clowns International spokesman,  
 said. "At a time of recession, this  
 sort of action is not fair to British  
 clowns. Two-thirds of our members  
 are not in work."

It could have been just another  
 publicity stunt, but it turned out  
 that the clowns were serious.  
 "Clowns are very serious people,"  
 Cottle said with a sigh.

So many clowns are boycotting  
 Cottle's show that he had to abandon  
 plans to have a troupe of  
 clowns and instead has just three —  
 Payne, plus two others. Letters  
 from angry clowns arrive regularly.  
 "Nobody wants to work for us,"  
 Cottle said. "Well, I don't want  
 half of them anyway — and they'll  
 be back, don't worry."

Cottle said he hired Payne be-  
 cause his show needed a fresh  
 element. Female clowns are rare here,  
 black female clowns unheard of.  
 But he still contends that British  
 clowns lack if not tradecraft then  
 certainly public relations skills.  
 Payne has spent her off-hours visit-  
 ing schools and delighting chil-

dren; Cottle said a British clown  
 can't be troubled to crack a smile  
 five minutes before his shift begins.  
 "We're getting along fine,"  
 Payne said of her two British col-  
 leagues. "I've just had to try to  
 learn how to make these people  
 laugh over here."

"Nobody in my family has ever  
 done anything like being a clown,"  
 she said. "But I like to laugh, plain  
 and simple. My mother used to call  
 me Silly Billy."

Now, although the British  
 clowns are still on the warpath, the  
 business issue in Payne's profession-  
 al life is trying to discern just what  
 it is that the British find funny.

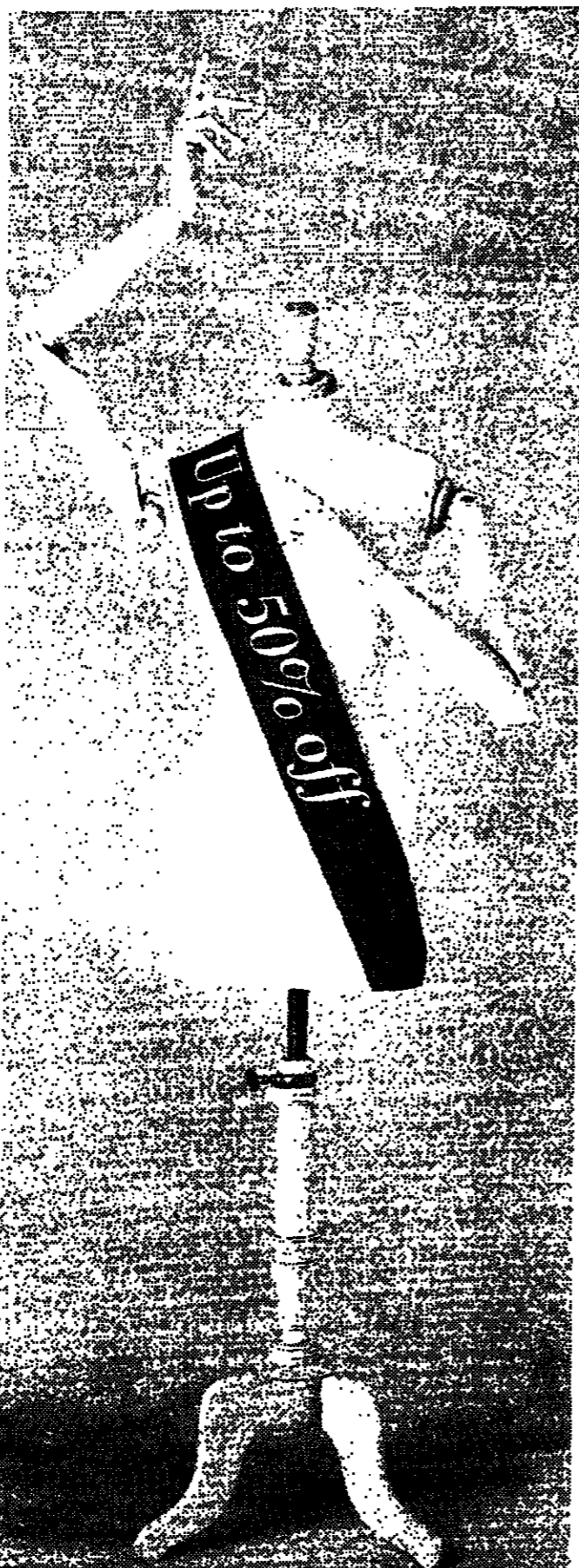
Early in her run with the Cottle  
 circus, she decided to win them  
 over with the Levitation Gag, in  
 which a clown appears to be levitat-  
 ed until it is revealed that the trick  
 is being done with the help of hid-  
 den poles. In the United States, she  
 said, this never fails to get a big  
 laugh. In London, it was greeted  
 with "dead silence." Another reli-  
 able standby, the Invisible Chair  
 Gag, also lost a lot in translation.

In an appearance at a horse show  
 near here, Payne tried some of her  
 standard tricks, such as picking out  
 a woman in the crowd and imitat-  
 ing her walk, or playing jokes be-  
 hind a man's back. Far from being  
 amused, the victims were horrified  
 and ticked off.

So what does work? "A lot  
 of slaps. Physical humor —  
 falling down on the  
 ground, things like that. If  
 the joke is on somebody else, they'll  
 laugh. If it's on them, forget it."

Backstage at the Wembley Exhibi-  
 tion Hall, chatting in front of the  
 tiger cages with the still walkers  
 and the Hungarian strongman  
 dressed like a Roman centurion  
 and the contortionist with sad eyes,  
 Payne is in her chosen world.

"Most of these circus people go  
 back generations," she said. "It's a  
 way of life more than a career. It's  
 a myth that we're all depressed inside  
 and that we put on this mask to  
 hide our true feelings. The first  
 time I went out on opening night,  
 and the lights went up, and the  
 people cheered, I knew instantly:  
 This is what I wanted to do."



Graphic sale display at Harvey Nichols.

# Shopping: Post-Guilt Trip

(Continued from page 1)

12 years here," said Tim Daniels,  
 managing director of the store  
 (which started its sale last week)  
 and also chairman of the Oxford  
 Street Association. "We are talking  
 about a double digit increase, and  
 there seems to be no shortage of  
 money. Maybe people know we  
 have had a rotten season, especially  
 on clothing, so there are real bar-  
 gains to be had."

Harrods, where the sale opens  
 Wednesday with Tom Jones driv-  
 ing up royal-family-style in a coach  
 and horses, is predicting an £8 mil-  
 lion (about \$12 million) take on the  
 first day, after ringing up an unex-  
 pectedly strong holiday season.

"Before people who had the  
 money didn't seem to have the con-  
 fidence to spend it," said Michael  
 Cole, speaking Monday from the  
 office of Harrods' chairman, Mo-  
 hamed al-Fayed. "But we are 35  
 percent up overall in 1992 as a  
 company, and Harrods has been  
 particularly good."

Harrods is the flagship of the  
 House of Fraser Group, whose 34  
 stores in England and Wales and  
 eight in Scotland had already start-  
 ed their sales.

What is the definition of a sale in  
 a world where most things seem to  
 be marked down most of the time  
 and even Vogue magazine in Amer-  
 ica runs an article on taking a  
 trip to Freeport, Maine, to shop for  
 designer clothes at factory outlets?  
 European countries often have  
 laws restricting bogus claims of  
 markdowns, and France and Ger-  
 many both regulate the starting  
 dates and length of sales. But the  
 real change since the early 1980s is  
 that the consumer is now much  
 better educated and more sophis-  
 ticated about shopping.

One woman described herself as  
 a "compulsive" sales shopper, rather  
 than an "impulsive" one, and that  
 sums up the change of approach.  
 If you know that a well-cut,  
 well-made designer-label jacket  
 costs \$1,000 at regular price, you  
 know its value when it is 30 or 50  
 percent cheaper. You will probably  
 also know that a lime green sweater  
 is never a better buy than navy  
 blue, at any price.

But the real lesson to be learned  
 from the recent stop on shopping is  
 that the newly-aware consumer will  
 not buy at any price if the item is  
 perceived as useless or unneces-  
 sary, and therefore bad value.

If the designer label was the sym-  
 bol of the yuppie years, the mark-  
 down rail has been the totem of the  
 1990s. American stores have been  
 accused of instigating the idea of



Bargain-hunting shoppers throng Oxford Street.

marking down swiftly what doesn't  
 sell, and reaping the bad harvest as  
 smart consumers just wait to buy.  
 This policy has supposedly killed  
 off the coat business, making idiots  
 out of anyone who invests in a coat  
 that is not on sale.

But designers realized that there  
 was an upper limit on what even  
 people who have the money will  
 spend. Hence the concept of the  
 secondary line, of Donna Karan's  
 DKNY sportswear collection or  
 Giorgio Armani's Emporio and  
 jeans lines. Even Christian Dior, a  
 linchpin of luxury, quietly decided  
 to cut costs so that prices could be  
 lowered by up to 30 percent for last  
 fall's season.

This "glass ceiling" a real or a  
 psychological barrier? In other  
 words, did clothes — not to men-

tion cars, dining out and anything  
 but Nintendo games — just get too  
 expensive for people's pocket-  
 books? Or is there guilt in the mind  
 about spending serious money  
 while Sarajevo is burning, Somalia  
 starving and your best friend's  
 business has gone bust?

Significantly, Harrods, with its  
 £100 million of merchandise on  
 display for its sale Wednesday, has  
 pledged to donate £50,000 or 1 per-  
 cent of the day's take (whichever is  
 greater) to charity. Fayed will make  
 the donation to ChildLine, a chari-  
 ty dedicated to eradicating child  
 abuse, and Tom Jones comes in on  
 that ticket. The involvement of re-  
 tailers, as well as performing  
 artists, in fund raising for charity  
 has been a major growth area in  
 this recession-hit decade. Fayed, as

with all participants, talks about  
 "putting something back by help-  
 ing others."

When the conscience is salved  
 and the shopping mood takes you,  
 what is actually a good buy in the  
 current fashion climate?

Although the large majority of  
 shoppers are still women, these  
 sales are really a man's best friend.  
 Since menswear is the first thing to  
 be cut back (along with major  
 household appliances) in tough  
 times, the January sales have be-  
 come a promotional event to move  
 menswear. From Dior to Harvie &  
 Hudson, you get shirts, suits and  
 coats reduced by around 30 per-  
 cent. It is therefore a prime mo-  
 ment to top up a wardrobe or buy  
 basics, following always the maxim  
 that it is wiser to buy quality at a  
 lower price than rubbish at rock-  
 bottom.

Shopping for women's clothes  
 this season is more problematical.  
 There is a major fashion change in  
 the air, if not quite yet on the  
 streets, and an unwise buy would  
 be a short skinty velvet dress (let-  
 ting down the hemline shows every  
 stitch mark), a bright, brief suit in  
 fancy tweed, or wildly patterned  
 shirts and leggings at designer  
 prices that have already been un-  
 dercut by cheap copies.

The consumer watchword for the  
 1990s has been need rather than  
 greed. Yet, the enthusiasm of bar-  
 gain-hunters and their glee in find-  
 ing what they want, suggest that  
 human nature might feel, along  
 with Shakespeare's King Lear:  
 "Oh, reason not the need."

If the mood has finally turned, it  
 will be an overwhelming relief for  
 retailers who go bust by the minute.  
 (The latest designer-store casualty  
 in the United States was Martha,  
 which went into Chapter 11 bank-  
 ruptcy on Dec. 22 after 58 years of  
 trading at the top end.) Retailers in  
 the United States are talking about  
 an outstanding holiday season,  
 with an overall increase in pos-  
 tive Thanksgiving sales of 10 to 12  
 percent from the same period in the  
 previous year, against 2 or 3 per-  
 cent at best in 1991.

In London, retailers are cautious  
 about seeing in a frozen economy  
 the "green shoots" that Britain's  
 ever-optimistic chancellor of the  
 Exchequer expects. Overall, predic-  
 tions for jobs and business in 1993  
 throughout Europe are universally  
 gloomy.

"As far as retailing is concerned,  
 I don't think that this is the end  
 of the recession," Mr. Cole says. "But  
 it might be the beginning of the  
 end."

## STYLE MAKERS

### Arms and Armani GUNS AS ACCESSORIES

NEW YORK TIMES SERVICE  
 LOS ANGELES — Two  
 BMWs, a Lexus, a Volvo  
 station wagon, two late-  
 model Jeeps and one  
 gray Porsche Turbo are parked out-  
 side Gun World/Target Range, a  
 store and firing range in Van Nuys,  
 California. Most bear vanity li-  
 cense plates, some with the owners'  
 initials, others with their vocations:  
 "MS FX," "MOVIEBIZ," "MD3."  
 It turns out that the cars are better  
 identified than their owners. At  
 least here.

"No names," said a woman iden-  
 tifying herself as a 37-year-old en-  
 tertainment lawyer. She was wear-  
 ing an Armani jacket, a cashmere  
 sweater, Donna Karan jeans and  
 blue suede loafers and was carrying  
 a Smith & Wesson 686 revolver  
 when I walked into the target  
 range, where *le tout Hollywood*  
 hones its marksmanship.

"Everybody in L.A. has a gun,"  
 said another patron, who described  
 himself as a medical professional  
 and gave his age as 48, but not his  
 name. He was wearing a raw-silk  
 shirt under a Gaultier jacket and  
 was carrying a Sphinx AT-3000  
 semiautomatic pistol, which he car-  
 ried much as one might fondle  
 the lunging beast on the hood of a  
 new Jaguar. "Nobody talks about  
 it," he said.

Sonny Jones, the editor of *Women  
 and Guns*, a magazine published  
 in Bellevue, Washington, calls  
 unacknowledged gun possession  
 "the dirty little secret in the liberal  
 closet. There have always been a  
 certain number of so-called liberals

who own guns, but that number is  
 growing. The L.A. riots brought  
 the self-defense issue home."

Retailers like Paul Cole, the own-  
 er of Gun World and six other gun  
 stores in the Los Angeles area, said  
 they noticed a jump in sales in the  
 weeks after the Los Angeles riots in  
 the spring. "It was crazy busy for  
 about two months," he said.

Indeed, the California State De-  
 partment of Justice noted a 45 per-  
 cent increase in the number of ap-  
 plications statewide for the pur-  
 chase of guns of all kinds in the  
 four weeks after the Los Angeles  
 riots, compared with the same pe-  
 riod in 1991, said Shelley A. Rife,  
 a section manager for the depart-  
 ment's firearms program. In May,  
 she said, 58,311 applications were  
 received, compared with 40,001 for  
 the same month in 1991. The run  
 on guns tapered off after May.

While sociologists have found  
 that the stigma of guns decreases  
 when crime — or the perception of  
 crime and chaos — increases, one  
 expert, Gary Kleck, is skeptical of  
 gun retailers' claims that the dem-  
 ographics of gun ownership have re-  
 cently shifted, with more women  
 and upper-middle-class people  
 choosing to bear small arms.

"The perception of rising crime  
 gives people a rationale," said  
 Kleck, the author of "Point Blank,"  
 a book on guns and violence in the  
 United States. But of the retailers'  
 reports, he added: "I detect a note  
 of wishful thinking in these claims.  
 The gun market went slack in the  
 '80s, and the industry is looking for  
 new markets."

There have long been gun own-  
 ers "who describe themselves as  
 liberal and don't fit the typical  
 right-wing, reactionary, sexist, rac-

ist, rural hick, socially backward,  
 gun-owner stereotype," he added.

To some, handguns are appar-  
 ently a fashion accessory. Akin to  
 Sharper Image-style technovests,  
 socially acceptable pistols cost  
 \$500 and up. For some, becoming  
 proficient in handling a pistol takes  
 less training than becoming a re-  
 spectable skier. For others, it takes  
 about as long as learning one's way  
 around a wine list. Those deter-  
 mined to acquire are undaunted.  
 Those determined to carry a loaded  
 pistol must often get government  
 permission: carrying a concealed  
 weapon in California, for example,  
 requires a permit from local law-  
 enforcement agencies.

"In the past few months, I've  
 been shocked to find out that some  
 of my best friends actually own  
 guns," said Mick Jackson, the di-  
 rector of the movie "L.A. Story."  
 "Nice, peaceable, otherwise sane  
 people, talking about their Glock  
 this, their Beretta that, like any  
 other status symbol."

TAKE the two well-  
 dressed young men sit-  
 ting next to me in the  
 lounge at the Hotel Bel-  
 Air one evening. "Smooth polymer,  
 not the classic wood grain, but  
 ah, the feel in hand," one said.

"It's smooth and solid, but I'm  
 wondering how it will age," the  
 other said. "I like the patina in the  
 older styles."  
 They were discussing a Beretta  
 semiautomatic, not a fine Bordeaux.

Gun-magazine advertisers are  
 playing to the buyers' sense of style  
 and vanity (the fear of being  
 dowdy) and insecurity (the fear of  
 being vulnerable).  
 "Light and lithe, the Hammerli  
 280," read an advertisement in  
*Women and Guns* that could just  
 as well have been a promotion for a  
 diet dairy treat. "Be safe, feminine  
 and stylish!" read another ad, for  
 Love Leathers, a Vancouver.

Washington, company that makes  
 gun purses and pistol fanny packs.  
 But other firearms sales pitches  
 keep their sights on the fear-for-  
 your-life-and-property-target.  
 "Precious possessions," read the  
 caption under a picture of Davis  
 handguns arranged with a string of  
 pearls and several \$100 bills.

No matter what kind of paranoia  
 they appeal to, gun ads seem to  
 trouble Cole. "There used to be  
 personal taste involved in selecting  
 a firearm," sighed the retailer, who  
 also deals in collectors' guns, like  
 the 1840 Paterson Colt displayed in  
 his office. "Now guns are trendy,  
 like everything else."

Image is becoming an important  
 part of a pistol. Until recently,  
 styles in guns, as in Mercedes au-  
 tomobiles, were slow to change.  
 But technical breakthroughs and a  
 move by gun manufacturers to cre-  
 ate a modicum of stylistic obsoles-  
 cence in what was once a lifetime  
 purchase have changed that.

Most gun dealers say that about  
 five years ago Glock, an Austrian  
 gun company, made the first style  
 statement since John Browning de-  
 signed the modern revolver more  
 than 100 years ago. "Glock came  
 up with a sleek plastic-bottom and  
 steel-tipped model that became the  
 ultimate yuppie gun," Cole said.

The German Sig Sauer P226, a  
 sleek, modern, 9-millimeter semi-  
 automatic, makes wood-handle re-  
 volvers seem as quaint as Matt Dil-  
 on. Apparently, the look is  
 appealing. "The Sig Sauer is the  
 Rolex of guns today," Cole said.

The LadySmith, a small .38-cal-  
 iber Smith & Wesson revolver, is  
 popular among women buying for  
 the first time, as is the slightly larg-  
 er Smith & Wesson 49 with a  
 bobbed hammer. "Women don't  
 want the hammer getting caught on  
 something in their purse," Cole  
 said.

Molly O'Neill

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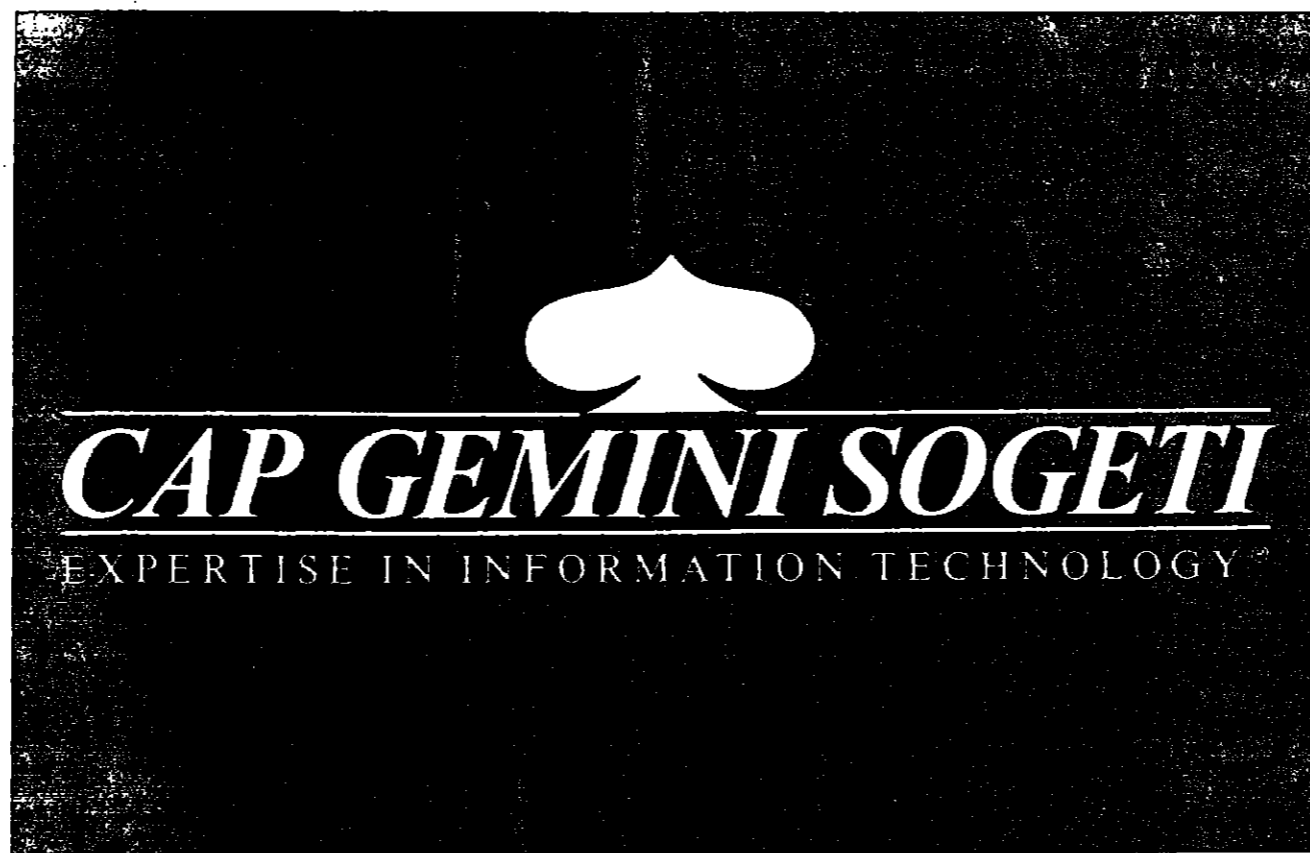
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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Hope and Fear in Cities

The new year brings hope and fear to the people of New York City. Hope that after 12 years of neglect, urban America will get new help from Washington. And fear that the campaign for mayor will exacerbate the city's ragged race relations and consume the energies needed for renewal.

Neglect and wrongheaded social policies aggravated by recession leave cities without resources to pay for their poorhouse functions. But the poor will not go away — until they are less poor. Unless Washington acknowledges the care of the poor as a national moral and financial obligation, urban poverty and misery will bankrupt governments and lay waste to urban infrastructure.

Bill Clinton took a conspicuous walk through an inner city neighborhood of Washington after his election. But, like George Bush and Ross Perot, he largely ignored the cities' problems during the campaign. Large cities house large concentrations of minorities and the poor that suburban majorities prefer to forget.

The president-elect has little direct experience with urban blight. As governor of Arkansas he did not have to exercise leadership over large cities, the struggling shelter of last resort for the nation's poor.

Not all the remedies depend on Washington, of course. New York's leaders remain set in old and wasteful ways. Mayor David Dinkins has achieved some modest improvements, but the true innovations, like privatization and holding city workers more accountable, still elude New York.

Debating such issues would make for a lively and constructive mayoral contest. But continuing racial tension raises the specter of a polarizing campaign. New York and other cities have a strong claim on the national conscience and pocketbook.

— THE NEW YORK TIMES.

Hanging On in Kenya

Kenya's elections were widely awaited to see whether President Daniel arap Moi, who has richly earned a reputation for political thuggery, could run an electoral process fair and free enough to justify a resumption of Western aid, which had been suspended after he vowed to crush his opponents "like rats."

of complaints — barring opponents from running, hogging the state-run media, rigging the rules and some part of the count, too — simply cannot be ignored. Africa as a whole is in deep trouble these days. It has only a loose grip on the trailing edge of the world economy, and many of its political leaders and institutions have not been up to the formidable tasks of modernization.

The major opposition parties, which together drew more than 60 percent of the vote, are now combining and calling for new elections. In these conditions, where it has not yet been shown that President Moi has met the first test of winning the confidence of the Kenyan electorate, it becomes increasingly difficult for his country's foreign friends to regard Kenya as a good bet for Western investment, public or private.

— THE WASHINGTON POST.

Just Folks for a Start

Bill Clinton has invited 50 un-famous, un-rich Americans to lunch in Washington on the eve of his inauguration this month — another sign that he means to be a president with an ear for what is on people's minds. But he is not the first to cast a populist image at the outset of his administration. What counts is what he does in the Oval Office.

planned a dignified White House reception for invited guests. But his popularity as the first common man to be elected president drew thousands of uninvited admirers who raised havoc until they were finally lured outdoors by moving the punch bowls to the lawn. Jackson escaped through a window.

— THE NEW YORK TIMES.

Other Comment

Don't Expect Peace in Bosnia

One thing is certain about the Bosnia plan presented in Geneva by UN and EC mediators: It has no chance of being implemented. The attempt to divide war-ravaged Bosnia into 10 partly artificial provinces would lead to new conflicts if there were at all a chance that it could be carried out. The Muslims have already rejected it, and the Serbs have said through their local leader that they would only consider a Serbian state on Bosnian territory.

Pulling a Fast One in Moscow

One cannot avoid the impression that the first days of the new year became a kind of a political farewell performance for George Bush. In his last "scene" — the signing of a historic treaty in Moscow — Russia was given, if not a silent role, evidently a secondary one. The haste with which Boris Yeltsin put his signature on such an important document is hard to explain.

— Komsomolskaya Pravda (Moscow).

Needed: Hard Currency for a Social Safety Net in Russia

By George Soros

WASHINGTON — The seemingly endless decline and disintegration of the post-Soviet economy can still be reversed, even at this advanced stage, but only with Western help. The help should take the form of an internationally financed social safety net, distributed directly to the unemployed and needy in the form of hard currency (dollar or Deutsche mark) bills.

The introduction of a hard currency would deprive the government of its ability to finance the deficit by printing money. This may be considered a negative because in the first instance it would accelerate hyperinflation, but the opposite is true. Unable to finance its deficit, the government would be forced to balance its budget.

The tide of disintegration and despair could be reversed. Private investment and domestic capital creation could set the economy on a growth path.

entire former Soviet Union. The benefits would be incomparably greater because the program would have multiplier effects and would set into motion a virtuous circle. The most important benefit would be the introduction of a hard currency. The ruble has never served as a full-fledged currency, and incipient hyper-

inflation has only made matters worse. Without a medium of exchange, the economy functions largely by barter. And in the absence of a store of value, there is large-scale capital flight. Insofar as hard currencies are used in internal transactions or hoarded, they need to be imported, draining an already depleted economy. Putting a hard currency in general use would remove these handicaps, in addition to bringing direct benefits to the recipients.

wonders. The self-reinforcing loop of disintegration and despair could be reversed and replaced by a virtuous circle. If that happened, the inflow of private investment and domestic capital creation could set the economy on a growth path.

One other issue needs to be mentioned. The breakup of the Soviet Union into 15 independent states has had a devastating effect on production and trade, because Soviet industry was highly concentrated and without alternative sources of supply. The introduction of a hard currency could go a long way toward re-establishing trade among the newly independent states.

Now that the Gaidar government has fallen, the introduction of a hard currency becomes the only hope for currency reform. Yegor Gaidar tried to stabilize the ruble and failed. His successors will not even try.

Hyperinflation is already built into

the economy, but its implications are not properly understood. When it is actually experienced, there will be an attempt to reimpose wage and price controls. That attempt is bound to fail, but the consequences would be disastrous. The commands of the central government would be resisted, and the country would take a great step toward civil war, anarchy and chaos.

Of course, if the plan were implemented, the exchange rate might fall. But that is a problem that would arise only after hyperinflation had been brought under control and the domestic currency stabilized. By that time the government ought to have the resources to take care of its own needy and unemployed.

Where is \$10 billion to be found? The obvious place is the International Monetary Fund, because the IMF has a mandate from the Group of Seven that it has been unable to fulfill. Since a conventional IMF program would be doomed to failure, it is time to try an unconventional one.

There is only one major obstacle: The IMF is prohibited by its charter from treating one country differently from the others. But there are ways of circumventing this obstacle. For example, a special facility could be established for countries that have broken into many pieces.

An intergovernmental arrangement in the Group of Seven might also be feasible. They would jointly guarantee a \$10 billion loan to the successor states of the Soviet Union. One country — the United States or Germany — could volunteer to provide the cash that would be distributed, and the other countries would agree to share the burden if and when the bank notes were expired. The cost would be substantially less than \$10 billion.

In sum, even if the program failed to generate a virtuous circle, at least it would discourage the Russian government from moving in the wrong direction. With a functioning currency, and without too much hindrance from the government, the economy could be expected to show some improvement eventually.

The aid would not be wasted as it would be if it were given to the government directly. It would serve a humanitarian purpose, and it would cost much less than what is likely to be expended if nothing is done to prevent the descent into a black hole.

The writer is principal investment adviser to the Quantum Fund and president of the Soros Foundation network, which has offices throughout Central and Eastern Europe and the former Soviet Union. He contributed this column to The Washington Post.

It Worked for Japan, It Can Work Under Clinton

By Saburo Okita

TOKYO — Unless the United States enhances its economic structures and regains international competitiveness under Bill Clinton's leadership, the weakening of the U.S. economy will continue to have serious political, economic and security ramifications for the world.

The first concerns the shift to market economies in the former Soviet Union and Eastern Europe. It is important in encouraging this shift to do more than simply supplement the market's functioning. An appropriate integration of market mechanisms and government policy is needed. We must seek a broader approach based on systemic study, historical context, and an understanding of the difficulties of transition.

The incoming administration has indicated that its policy priorities will be domestic, with the focus on five areas: reviving the economy over the long term by rebuilding infrastructure and encouraging private-sector investment; moving for immediate economic stimulation while aiming to cut the budget deficit; promoting exports; cooperating with industry in promoting high-tech research and development; and improving education and training, and redistributing income to revitalize the economy and promote social justice.

These priorities are similar to the areas highlighted in a 1982 symposium on Japan's postwar economic performance, convened at the Massachusetts Institute of Technology, by Professor Lester Thurow. Having been in charge of drawing up Japan's income-doubling plan of the 1960s, I was asked to discuss the Japanese experience. In his report on the conditions that led to Japan's economic policy of that period, he characterized its main elements as strengthening social overhead capital; pushing growth industries; promoting exports; developing human resources and technology; and securing social stability by mitigating the economy's dual structure. As he noted, "This list could easily serve as strategic objectives for the American economy by the year 2000."

The list Mr. Thurow drew from Japanese experience resembles the list Mr. Clinton has made based on American experience. Given Japan's success with this approach, I would generally concur with the new administration's approach to economic reform and domestic policy.

Some confuse economic planning with a planned economy, and they would abolish all economic planning by governments. But economic planning is entirely compatible with a market economy, so long as it is based on free corporate activity and market mechanisms. My second foreign policy point concerns Asia. Asian countries are enjoying dynamic growth. Before long, East and Southeast Asia will constitute a major economic region, on a par with North America and Europe. Enhanced Asian purchasing power will create a huge market that will contribute to world economic health.

It should be remembered that these countries hope to promote development within their own historical and cultural legacies, while maintaining national integrity. Japan, Taiwan, South Korea, and other Asian countries have seen how political democracy gains strength as the society progresses economically.

James Baker, the former U.S. secretary of state, has suggested that the U.S. economic relationship with Asia should have a fan-like structure, with the United States at the center and each Asian country at the end of a spoke.

countries have seen their export dependence on the U.S. market fall, from 34 percent in 1985 to 27 percent in 1990. Over the same period, these countries' export dependence on intraregional trade has risen, from 25 percent to 32 percent. Asia is bound to be even more important, politically and economically, in the future. I would hope Washington would support the developing trade relationships within Asia and would cooperate with Asia as a whole rather than with individual countries.

But in security terms, the old structure with the United States at the hub and the individual Asian countries at the spoke-ends has long been effective; hopefully the United States will maintain an Asian presence, including security arrangements with Japan, in the post-Cold War era.

Yet given the heightened interest in regional security guarantees, the eclipse of ideology and the rise of market mechanisms in Asia's Communist states, as well as recent improvements in intraregional relations, I suspect we are moving toward multilateral cooperation. This might include the creation of a Conference on Security and Cooperation in Asia, similar to Europe's CSCE.

The United States has a crucial role to play in building a new world order, enhancing the United Nations' effectiveness, preserving the global environment, advancing basic research and development, and more. Japan will also take meaningful initiatives. But it is much in the best interests of Japan, the United States, and the whole world that these two countries maintain a constructive, cooperative relationship.

The writer, Japanese foreign minister in 1979 and 1980, is currently chairman of the Institute for Domestic and International Policy Studies, in Tokyo. He contributed this column to The International Herald Tribune.

Economies in the '90s: Big New Players From the Third World

By Joel Kotkin

LOS ANGELES — The economic key to the 1990s may lie not in relations among the "triad" competitors — Japan, Western Europe and the United States — but in the inexorable economic rise of what used to be Third World countries. Last year, overall growth in the developing countries neared 6 percent, three times the rate for the struggling triad.

grew at nearly 5 percent a year since the late 1980s. Despite its recent turmoil, it is expected to swing back to similar rates of growth in 1993. The surge of Third World growth rides atop powerful long-term demographic trends. As the populations of the industrialized countries age and their work forces stop growing or even decline, the labor pool in South Korea, China and India is expected to expand at roughly twice U.S. rates and four times those of Europe and Japan.

This phenomenon covers large regions of the developing world, notably South Korea, Taiwan, Thailand and Singapore, which enjoyed economic growth at double-digit rates throughout the '80s. More recently, rapid expansion has spread to several Latin American countries and to India. Chile's economy grew by roughly 10 percent last year. Mexico's has expanded at around 4 percent annually since 1989. India has, on average,

than one-third of the world's college graduates; by the late 1980s, they boasted more than half. Many developing countries are moving ahead in the sciences, engineering and software programming. Mexico produces as many scientists and engineers as France; South Korea turns out more such highly skilled personnel than any country in Europe except Germany. India and China each educate more scientists and engineers than Germany and France combined. Students from developing countries, mostly from Asia, account for nearly two-fifths of all U.S. doctorates in engineering.

As a result of this growth in brainpower, the developing world is gaining in such advanced business sectors as semiconductors. The costs of running a semiconductor plant in East Asia, with its large supplies of skilled labor and favorable business climate, are about 20 percent less than in Japan or in the United States, nearly one-third less than in Europe.

India, which has 30 percent more software engineers than Japan and more than twice as many as Germany, has spawned a burgeoning software industry — ranked first in the world for cost-efficient product development in a recent World Bank survey — that employs more than 300,000. India-based companies develop software programs, chip designs and computer specifications for such leading U.S. firms as Texas Instruments, Hewlett-Packard and Sun Microsystems.

The shift to the post-triad world does not mean that the First World is in imminent danger of surrendering its high standard of living. Nor does it mean that prosperity is about to reach the many economically marginal countries of the Third World. But the shift is large and broad-based enough to shake the economic foundations of the global economy soon.

The most powerful influence will come from East Asia. Largely impoverished backwaters only 25 years ago, East Asian countries now boast levels of literacy higher than in the United States and send more of their children to college than any of the major European countries or Japan. South Korea, which in 1960 was barely better off than sub-Saharan Africa, is likely to surpass Britain in gross national product by 2000.

Even more impressive has been the rise of Chinese mini-economies — Taiwan, Hong Kong and Singapore — that are rapidly displacing the Japanese as the leading investors in most

of Southeast Asia. They also account for four-fifths of the money moving into coastal China, the world's fastest-growing industrial region. Barring a political setback, China's economy, according to the World Bank, could surpass Germany's to become the world's third largest by the end of a second Clinton term.

Cash-rich Chinese investors, who already hold the world's largest cache of foreign currency reserves, may prove far more capable of supplying capital to the United States in the 1990s than the Japanese or the Germans. Taiwan has recently replaced Japan as the world's biggest foreign buyer of U.S. Treasury notes.

East Asian and Latin American markets are already critical to many U.S. exporters, particularly in high-priced consumer and capital goods, as Japan and Europe have suffered economic slowdowns. From 1986 to 1991, U.S. exports to Mexico almost tripled. During the 1980s, U.S. exports to Singapore, Taiwan and Hong Kong rose by 160 percent. These three Chinese mini-states now represent a larger market for U.S.-made goods than any single European country.

Preparing U.S. industry to take advantage of these expanding markets may well prove more critical to American success in the 1990s than fighting the old tariff and subsidy battles with Western Europe and Japan. Making the United States fully competitive in the rapidly growing markets in the post-triad world should be Bill Clinton's new crusade.

The writer is author of "Tribes: How Race, Religion and Identity Determine Success in the New Global Economy," to be published this year. He contributed this column to The Los Angeles Times.

U.S. Farm Policy Needs a Revolution

By Osha Gray Davidson

IOWA CITY — Finally, after a presidential campaign in which farm policy went virtually unmentioned, Representative Mike Espy of Mississippi, Bill Clinton's choice for secretary of agriculture, acknowledged the obvious: The world has changed dramatically since America's agricultural policies were crafted nearly 30 years ago.

Advocates for these policies argue that the largest farms should receive the largest government payments because their size allows them to capture economies of scale. This is plain wrong. Economies of scale are already captured by mid-size family farmers. The larger growers simply capture more profits — often less efficiently.

Mr. Espy neglected to add that American farm programs are in desperate need of a complete and radical overhaul. U.S. farm policies are hopelessly outdated, exorbitantly expensive and environmentally and socially devastating. But they endure, thanks to the lobbying efforts of agribusinesses able to make hay from society's devotion to that fast disappearing icon, the family farmer.

Unless Mr. Espy and Mr. Clinton are serious about reforming the Agriculture Department, the United States will soon have a two-tiered farm structure more commonly associated with the Third World. The country is already dangerously close to such a system. Seventy percent of growers live on small "hobby farms," which account for less than 10 percent of total national farm receipts. More than a third of farm produce comes from "superfarms" with sales of \$500,000 or more a year. In between, the midsize family farms are being squeezed out. Instead of Thomas Jefferson's independent yeoman, today one in three farm workers is a hired employee earning an average of \$5.36 an hour.

The resulting concentration of farmland in the hands of a few powerful growers has grave consequences for many rural communities. A 1986 congressional study of counties dominated by superfarms found "a few wealthy elites, and a large majority of poor laborers and virtually no middle class."

The report holds true today. Poverty rates in these rural ghettos rival those of America's worst inner cities. Farm workers and their families often live in crumbling shacks or battered trailers. Many children miss school to work beside their parents in fields regularly sprayed with hazardous farm chemicals.

For too long the Agriculture Department has ignored these impoverished communities, most of which are in the South and West. Now these conditions are spreading into formerly prosperous communities in the heartland. As Vice President-elect Al Gore points out in "Earth in the Balance," U.S. farm policy also courts environmental disaster. For example, despite a glutted market, farmers are paid a subsidy for every bushel of corn they produce. This encourages even the most conscientious growers to plow highly erod-

ible land and to use enormous amounts of fertilizer and pesticides, polluting limited ground water.

A new farm policy should encourage farmers not to grow more but to grow more efficiently. And such a policy should take environmental and social costs into account. Society pays to clean water polluted by farm chemicals. A more national policy would hold farmers responsible for environmental costs, perhaps by adding a tax to the price of toxic chemicals.

Where subsidies are appropriate, they should go to midsize farms instead of superfarms. Research and education and outreach programs, which cost \$1 billion a year, should be redirected along similar lines.

Even the best farm policy can promise only limited benefits to the country's 60 million rural residents, a majority of whom no longer depend on food production for their livelihood. Perhaps Mr. Espy's greatest challenge will be to redirect the department's resources to serve the needs of all rural residents, not just those engaged in agriculture. As former co-chairman of the House Rural Development Task Force, Mr. Espy has the right résumé for the job.

The original mission of the Department of Agriculture was to make "two blades of grass grow where only one grew before." That may have worked once, but no more. Public policies must adapt to new realities — despite pressure from special interests more intent on farming the system than on being stewards of the land.

The writer, author of "Broken Heartland: The Rise of America's Rural Ghettos," contributed this column to The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Modern Medicine

LONDON — A remarkable surgical operation has been successfully performed at a London hospital. A workman had the tips of two fingers severed by a black tin cutting machine and went seven hours afterwards to the hospital for treatment. The wounds were carefully cleaned, and the ends of the fingers restored to their places and fixed by sutures. The parts united in a fortnight, and in time motion and sensation in the ends of both fingers were perfect.

Mr. Carroll, the American Consul in Venice, has arrived in Padua, and has given the Mayor, Conte Ferri, 20,000 lire from the American Red Cross for the victims of the raids.

1918: Raids on Padua

ITALIAN NORTHERN HEADQUARTERS — Three successive air raids on Padua lasted from two to six this morning (Jan. 5), and a number of bombs fell in the centre of the city. A large palace in the main thoroughfare was demolished, while lesser damage was scattered over two squares. Six persons were wounded, including two women.

1943: The French Front

LONDON — [From our New York edition:] Advances from France to Fighting French headquarters here said today (Jan. 4) that Focher Adolf Hitler had created a flushed military zone three to five miles wide along the entire French Mediterranean coast, from Menton to the Pyrenees. Preparations are being rushed to create fortifications in depth, the advances said. A similar zone already existed in northern France. The step was decided on, it was said, at the conference which Hitler held Dec. 19 with Count Galeazzo Ciano, Italian Foreign Minister, and Pierre Laval, Vichy Chief of Government. Civilian populations will be forcibly removed, and even in large cities only those engaged in war work will remain.

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OPINION

Privacy: Time Americans Awoke to Data Abuse

By William Safire

WASHINGTON — When President William Jefferson Clinton is briefed by the Secret Service about the security available to him, he is shown a "secure" scrambler telephone on which he can talk to other heads of government.

power, once sacred to them, to tell the world to mind its own business. What can we Americans do to defend ourselves against the relentless penetration of our "personhood" in Justice Sandra Day O'Connor's apt word.

been a reprehensible act — is all the more wrong now that wearing a wire or planting a bug to entrap is so easy. A White House conference on privacy and fair information practices could place this moral concern in a bully pulpit.

Data rape is a sleeper issue; I don't know when Americans will awaken to their personal vulnerability. Canadians already have an example of the national harm that stealing of signals can do.

A 1992 Horror Serial, Continuing

By Kristina Schellinski

July 1992. Here the sun is always present. No clouds bar the view. At 30,000 feet I think I can think high thoughts. Would I wish to invite my Yugoslav friends for dinner, right now? What Yugoslavs anyway? Yes, Darka is Serbian, and a nice, quiet, professional woman. How could I hold her responsible for the slaughter that has been going on in

they had challenged him before they circled him, five or six of them with short hair and hard eyes glassy from all that alcohol. And knees hit his stomach, and fists rained down on his head, and he was kicked head-first into that spiked fence, not even 30 meters from his house. They didn't like his checkered shirt. "Proletarian shit," they had sneered. Or did they know that he belonged to the anti-fascist group at his school? Or that he had a Chilean girlfriend.

MEANWHILE

Bosnia for months now? I never wanted to be held hostage for what my German forebears did, shunned and mistreated for crimes I did not commit. So how could I now hold her responsible? It's not her doing. It's that Mitosevic. But what is she doing against it?

Secrecy: It's Out of Control

By Mary Cheh

WASHINGTON — If Bill Clinton is looking for an immediate and dramatic break with some flawed Reagan-Bush policies, he would do well to take aim at the government's wildly out-of-control practices in the area of keeping national secrets.

Keeping secrets is expensive. People who have access to secrets must have security clearances, which require background investigations. Millions of dollars are spent annually on security checks, field work and administrative courts that handle nothing but clearance cases.

There are indirect costs too. Competition among contractors for classified work is distorted by a system that inevitably gives preference to firms that already hold security clearances.

On a better-known level of eavesdropping, federal investigators looking into the Bush campaign's penetration of the Clinton passport file discovered a more extensive case of privacy invasion: Foreign Service officers in the State Department Operations Center were routinely, perhaps for years, listening in on their superiors' conversations routed through the Operations Center switchboard.

With neither party to the call giving permission to listen in, that intrusion would violate section 2510 of Title 18 of the U.S. Criminal Code. (That case is being buried at the Public Integrity Section of the Justice Department, lately the graveyard of power-abuse investigations.)

A third example of the way technology is being used to endanger the privacy of personal communication and records: Six persons who worked for the Perot campaign wondered why their detailed personal credit ratings, assembled by Atlanta's Equifax credit-reporting organization, had been obtained by a consumer leasing company for no commercial reason.

U.S. secrecy practices are excessive and archaic. Thousands of government employees wield the censor's stamp, and tens of millions of documents are classified. Some 4 million people are cleared for access to this staggering mound of information. Presidents Eisenhower, Nixon and Carter tried to corral this runaway system. They limited the categories of information stamped secret, and they mandated automatic declassification of some data.

In contrast, President Ronald Reagan issued an executive order requiring that all doubts about classification be resolved in favor of secrecy. That order, still in effect, mandates continued secrecy even if the public benefits from disclosure are clear and overwhelming.

What should Mr. Clinton do as president? He should tailor secrecy to legitimate needs and narrow the categories of secret information to continuing diplomatic relations, secret intelligence codes and decoding methods and practices, military weapons design and specifications, and military operational plans.

The president should enlist Congress to adopt comprehensive reforms. Perhaps Mr. Clinton will match his willingness to go among the people with a desire to fling open some government windows.

The Lion and the Gladiator

Regarding "Don't Dismiss the Balkans as a Sideshow" (Opinion, Jan. 1):

Brian Beedham deserves great credit for drawing needed attention to the by-stander role adopted by the West in general and the United States in particular to what is potentially the most underestimated foreign policy issue since the Cold War ended.

UN and the Khmer Rouge

Given the deliberate flouting of the peace process by the Khmer Rouge, the United Nations should do now what it should have done in the first place: Outlaw the Khmer Rouge while issuing a general amnesty for those members of the group who would renounce violence and switch their loyalty to the Phnom Penh government.

Why Not Help the Haitians?

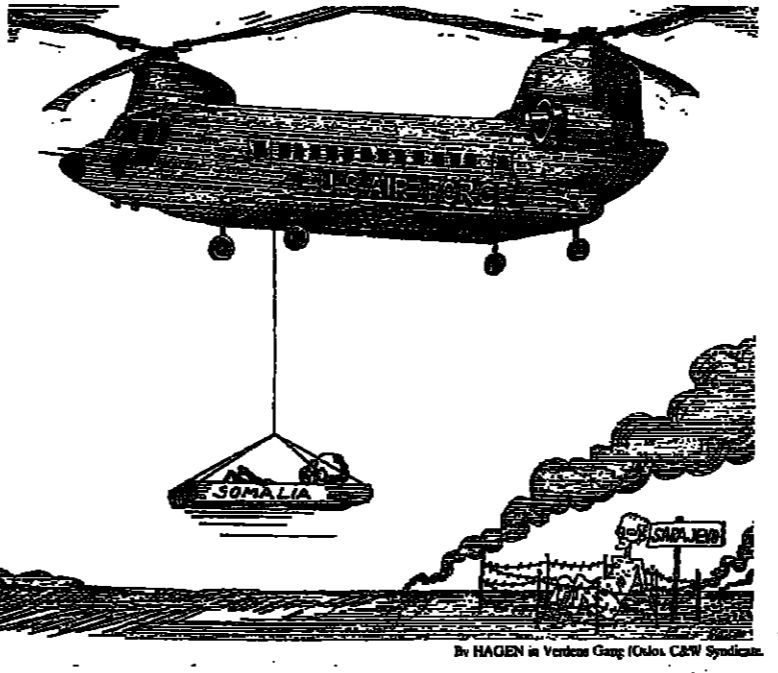
If some pundits feel that U.S. intervention against brutal governments and civil strife is a moral imperative, why is it necessary to seek out distant trouble spots such as Bosnia and Somalia? A worthy candidate for such attention lies just off U.S. shores — Haiti.

Plumbing Wars, Continued

Regarding "Of Plumbing and Power: A Staff-Couner's Guide" (Meanwhile, Nov. 17) by Anna Quindlen:

Hospital nurses have long been aware of the sexism of bathroom facilities. Only once have I seen that balance of plumbing turned to women's advantage: A new operating wing was being built for our hospital, and we women (predominantly nurses) were most disgruntled to find that the men (predominantly surgeons) were being furnished with a spacious, well-lighted changing room, full-sized lockers, plenty of showers and a comfortable lounge complete with wide-screen television and kitchen facilities. It even had a view!

We nurses, who outnumbered the doctors about three to one, were once again to be stuck with a barren, claustrophobic changing room, skimpy lockers, a miserly number of shower stalls, and a "lounge" the size of a broom closet. The night before the doors officially opened, an unknown heroism with a screwdriver changed all that. The plate marked "Women" was switched with the plate marked "Men." The nurses quickly installed themselves in our lovely new changing room, and not even an act of Congress could have moved us out!



Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

GENERAL NEWS

The 'Correct' Politics of Vacationing

Protesting an Array of Issues, Activists Target Tourism With Boycotts

By Edwin McDowell

NEW YORK — At one time, choosing a travel destination involved little more than deciding where to go, how much to spend and the availability of reservations. These days, though, many American travelers must also consider whether their preferred destination meets with the approval of family, friends or business colleagues.

Division of Tourism, denounced the fund's newspaper advertisements as "the moral equivalent of a ransom note." But with 20,000 jobs tied directly to its \$1 billion tourist industry, Alaska abandoned its wolf-killing plan, and the boycott was lifted.

"Boycotts are sometimes an effective way of making a statement, because you can usually measure the response accurately and quickly," said John Hunt, professor and head of the department of resource recreation and tourism at the University of Idaho.

After the boycott had cost Miami an estimated total of \$20 million in direct spending by visitors, and up to \$50 million indirectly, Miami Beach adopted a Martin Luther King Jr. holiday and awarded Mr. Mandela a Medalion of Merit in September.

But the boycott against Miami Beach remains, as part of the larger boycott against Miami and Dade County, and Mr. Gelber regards that as unjust.

At least 12 destinations are currently targets of boycotts, said Tim Muck, executive director of the Institute for Consumer Responsibility, a Seattle organization that publishes National Boycott News.

Boycotts were recently lifted by various groups against Alaska and Arizona, leaving as the prime targets Colorado, Louisiana and Utah, as well as Arizona in Florida.

But many tourism officials contend that boycotts are the wrong way to seek redress for grievances because they hurt businesses and force the layoff of workers who might share the viewpoint of the boycotters.

"Instead of hurting innocent people, wouldn't it be better to put that same power and energy into working within the system to change things?" asked Edward R. Book, president of the nonprofit Travel Industry Association of America, whose 2,000 members include many leading destinations, hotels, airlines and travel agencies.

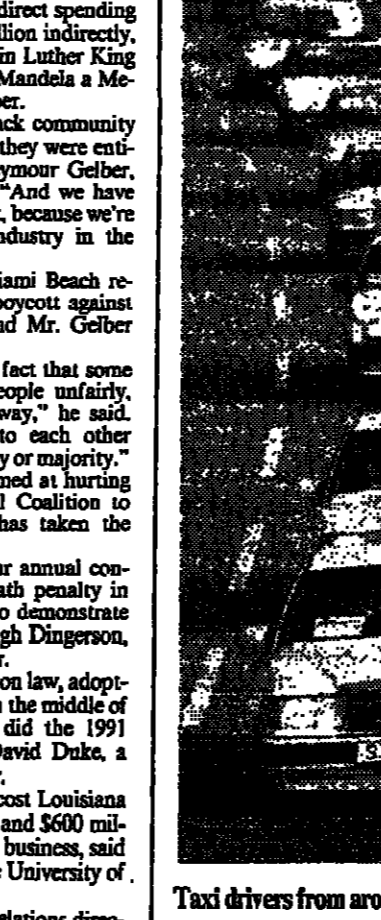
Mr. Book is especially critical of the boycott of Colorado.

He said that Aspen, Boulder and Denver had voted "nearly 2-to-1 against" the amendment and had filed "legal challenges." Because all three communities had ordinances upholding civil rights protections for homosexuals, their suit in federal court contends that the recent measure violates the equal-protection clause of the constitution.

Assailants Burn Hostel In Germany

Protesting an Array of Issues, Activists Target Tourism With Boycotts

By Edwin McDowell



Taxi drivers from around Germany put on a mass demonstration against racism Monday in Stuttgart.

Death Toll From Cold at 13 in France and Italy

Compiled by Our Staff From Dispatches

PARIS — The freezing Siberian air parked over Europe for two weeks has killed at least nine people in France, and doctors demanded more action on Monday from the French government to deal with the cold wave.

Heat Wave in South Africa

Compiled by Our Staff From Dispatches

Three people who fell asleep in scorching sunshine died from heat exhaustion in the western Cape during the holiday weekend, Reuters reported from Johannesburg.

Heat Wave in South Africa

Compiled by Our Staff From Dispatches

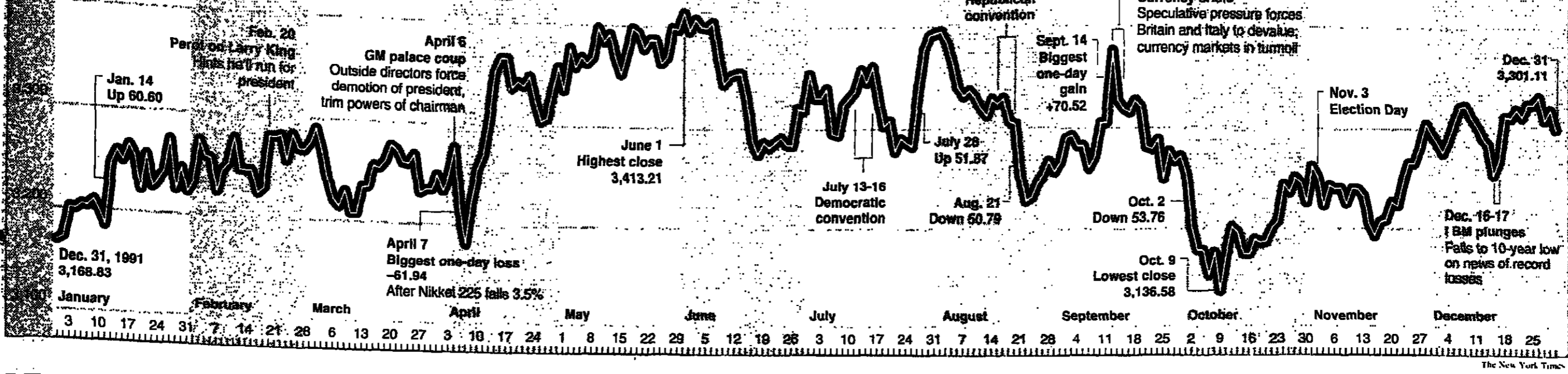
Three people who fell asleep in scorching sunshine died from heat exhaustion in the western Cape during the holiday weekend, Reuters reported from Johannesburg.





# 1992 U.S. STOCK MARKETS /

## The Dow Industrials in 1992



## Wall Street's Calm Surface Hid a Turbulent Year

By Allen R. Myerson  
New York Times Service

**N**EW YORK — Philosophers going back to Heraclitus have said that behind seeming permanence lies constant flux, and the course of last year's stock market bears them out.

The Dow Jones industrial average set a record for tranquility, with the narrowest margin in history between high and low. For the first time since 1986, the Dow had no 100-point days.

Yet individual stocks caromed around like so many overheated molecules. Onetime favorites, like IBM, collapsed; others, like Chrysler, whose shares had once shivered to single digits, flourished and were among the leading gainers.

Cyclical industries including cars, semiconductors, banking and retailing gave investors the best returns, while drug stocks and other medical issues that had led the market in past years succumbed to the increasing threat of cost controls.

In an era when individual investors were said to have surrendered their initiative to faceless institutions, they became net investors in stocks for the first time in 30 years.

Instead of picking from among thousands of stocks themselves, they tended to sift through the thousands of mutual funds. Net investments in equity mutual funds set an annual record of \$68.7 billion through November, already beating the previous record, in 1991, by more than \$30 billion.

They overwhelmingly bought small stocks and small stock funds, giving the Nasdaq Composite index a 15.5 percent gain to a record close, more than tripling gains of 4.2 percent in the Dow industrials and 4.5 percent in the Standard & Poor's 500.

The trading range of the Dow stocks was just 8.8 percent for all

last year, and for the S&P just 11.8 percent.

Despite the collapse of the Japanese market, the stalling of Europe's economy, a presidential election and the economy's delayed comeback in the United States, it was the least volatile year in history. The S&P's average annual range for the last 65 years has been 34.8 percent, or 26 percent excluding the Depression era.

The averages encompassed huge, offsetting gains and losses, however, as individual stocks went manic.

"Charles Dow would never have earned a name if his average had such muted volatility," said Thomas McManus, a market analyst at Morgan Stanley & Co. "In 1992, the average didn't tell what the average company was doing."

At the extremes, Walt Disney Co. more than doubled, while IBM fell more than 43 percent, erasing \$2.2 billion in shareholder wealth.

Of the Big Board stocks priced at \$40 and more — the supposedly stable institutional favorites — last year more than one of eight veered at least 3 percent on the average.

**Inside**

Junk bonds offered the highest returns in the corporate bond market and are poised to remain No. 1 in 1993. Underwriting had a banner year as sales of securities soared 45 percent over 1991's record. World stock market performance, by country. Country fund issues raised a bundle, but investors have little to show for it.

day, said Laszlo Birinyi, whose consulting firm bears his name. In the 1970s, when the market as a whole was far more volatile, only about one of 13 stocks bounced around that much.

Mutual fund managers were the quickest draws, accounting for 95 percent of the New York Stock Exchange's net buying but dumping stocks on any disappointment.

"The old saying was, 'Buy on the rumor, sell on the news,'" Mr. Birinyi said. "Last year was, 'Sell on the rumor, then sell on the news too.'"

Most strategists readily say that in 1993 the market's flow is bound to change. But many are recom-

ending the same investments — especially small stocks — that performed well last year. They argue that larger, global companies are more vulnerable to recessions abroad.

Individuals, especially, tend to keep doing what has worked best recently. They are so likely to lose money chasing the hottest stocks or mutual funds that some analysts take their actions as sound indicators of what not to do.

The risks this year may be especially high. Most analysts agree that the market is already expensive. The stocks that constitute the Standard & Poor's 500 cost \$24 for each \$1 of earnings, and pay an

annual dividend of about 2.9 percent. An earnings multiple of at most 10 and a yield of 4 percent to 5 percent are more typical.

To satisfy investor fancies, Wall Street's hotbores produced \$39 billion in new issues, easily a record. But as many of 1991's biotech-wild, investment firms cultivated new restaurant stocks instead, once again selling as personalities some exotic, expensive blooms whose popularity might not survive another season.

An overpriced market, like an overpriced currency, can persist, however, as it did throughout the last year. Many strategists, including Mr. Birinyi and Steven C. Einhorn of Goldman Sachs & Co., say individual investors will keep feeding their renewed appetite for stocks, animating the market for years to come.

Stefan D. Abrams, a portfolio manager at Trust Co. of the West, predicts that the earnings underlying the S&P 500 will be more than \$26 next year, up from about \$22 this year and enough to sustain at

least a 15 percent gain in stock prices.

But all these assumptions about individual investors, the economy, interest rates and profits leave little room for disappointment, said Robert Farrell, a senior investment adviser at Merrill Lynch.

Even if interest rates stay low, he says, investors turning over their certificates of deposit this year will find their income little changed. Some will still seek out bonds or stocks but probably not as many as last year.

Once again, many mutual fund managers can lure customers by trumpeting that they bested the S&P 500 last year — a feat that was easy if it happened to be running small stock funds.

But many major institutions invest most of their money in an index of larger stocks. For many pension funds, only a broad range of the biggest stocks can absorb the billions, even tens of billions, that they must invest.

Some fund managers who index their investments are prodding the companies, like IBM and Westinghouse, that are dragging these indexes down.

"If you're 400 or below in the S&P 500, you're almost guaranteed to get a call from us," said Dale M. Hansen, executive director of the California Public Employees Retirement System, referring to his five-year performance rankings.

Many other money managers say that this year will again reward stock pickers, of issues large and small, over those who stay with an index of major stocks. To say otherwise, of course, could put their own jobs at risk.

Still, as Heraclitus said, "The oracle neither reveals nor conceals, but intimates," a thought that might chasten any modern-day prophets who claim that the market's 1992 intimations yield clear guidance about the course of 1993.

COMPANY	Percentage Change		
	1st half	2d half	Full Year
Disney	88.75	26.2%	62.9%
Union Carbide	16.83	34.0	23.0
Allied Signal	60.50	22.5	18.8
AT&T	51.00	9.9	18.6
McDonald's	68.75	21.1	5.0
Goodyear	68.38	28.3	0.4
American Express	27.80	1.4	21.9
Sears	45.50	4.9	14.5
Woolworth	71.83	4.7	18.6
Procter & Gamble	53.88	2.0	16.7
Bethlehem Steel	21.00	1.8	14.3
General Electric	85.50	1.6	10.0
General Motors	52.25	2.1	11.7
Alcoa	71.63	17.9	5.6
IBM	100.00	1.7	4.2
Coca-Cola	41.88	0.3	4.7

DOW INDUSTRIALS	Percentage Change		
	1st half	2d half	Full Year
DuPont	71.13	1.7	1.1
Chevron	69.50	2.9	3.7
Exxon	81.38	1.2	0.8
Caterpillar	43.00	22.5	-2.0
Texas	61.00	1.0	1.9
Philip Morris	77.13	8.4	4.9
International Paper	61.00	1.8	3.6
United Technologies	48.13	3.7	-7.9
Boeing	40.75	2.1	15.1
Eastman Kodak	40.50	16.8	0.9
Upjohn	38.75	1.4	21.8
Merck	43.38	12.2	-11.0
Westinghouse	33.00	1.0	-4.4
IBM	50.38	10.0	-48.5

## Bad Times for Blue Chips, but the Money Kept Flowing

The Nasdaq Composite index of 4,000 mostly small stocks ended 1992 at a record 676.95. For the year, the Nasdaq posted a 15.5 percent rise — more than tripling the gain of the Dow industrials — after surging 56.8 percent in 1991 following the jet the Gulf War.

The Dow Jones industrial average rose 132.28 points, or 4.2 percent, to 3,301.11. But overall it was the least volatile year in history. The margin between the Dow industrials high and low for the year was the narrowest in history, and for the first time since 1986, there was not a single day when the Dow moved by 100 points or more.

The Standard & Poor's 500 index traded

in a range of just 11.9 percent in 1992, measuring the difference between its annual high and low. That was the narrowest range ever. The S&P's average annual range for the last 65 years has been 34.8 percent, or 26 percent excluding the Depression era.

The Standard & Poor's Mid-cap index, which covers 400 companies considered mid-range in size, rose 9.3 percent.

Net investments in equity mutual funds set an annual record of \$68.7 billion through November, already beating the previous record, in 1991, by more than \$30 billion.

Corporations took advantage of low interest rates and surging investor demand for equity to set a record amount of debt and

stock. Total financings rose 45 percent from 1991, the previous record, to \$346 billion. That covered \$744.4 billion in debt and \$101.6 billion in equity.

General Motors Corp., despite its persistent losses and management turmoil, sold \$1.56 billion of common stock in the United States in May as part of a \$2.15 billion global issue.

Merrill Lynch was again the leading underwriter of all types of securities, managing the issuance of \$140 billion of domestic issues, 16.5 percent of the total. Goldman Sachs was second, followed in the same order as in 1991 by Lehman Brothers, First Boston and Kidder Peabody.

## MARKET DIARY

Dow Jones Averages				
Index	High	Low	Last	Chg
Indus	3,413.21	3,413.21	3,301.11	+132.28
Transp	1,421.12	1,421.12	1,394.40	+26.72
Utilities	224.28	224.28	221.20	+3.08
Comp	1,152.28	1,152.28	1,107.41	+44.87

Standard & Poor's Indexes				
Index	High	Low	Last	Chg
Indus	512.75	478.91	507.46	+14.24
Transp	169.57	167.29	168.44	+1.15
Utilities	161.26	159.28	158.44	+2.82
Finance	41.07	40.48	40.89	+0.39
Health	142.28	137.47	138.55	+4.81
SP 500	402.38	387.57	392.71	+14.86
SP 100	425.0	387.57	392.71	+14.86

AMEX Stock Index				
Index	High	Low	Last	Chg
AMEX	418.99	364.85	399.23	+4.18

NYSE Percent Gainers				
Vol.	High	Low	Last	Pct
1,234	100	100	100	+1.2
1,234	100	100	100	+1.5
1,234	100	100	100	+1.8

NYSE Indexes				
Index	High	Low	Last	Chg
Composite	2,128.77	2,128.77	2,128.77	+19.27
Indus	218.13	218.13	218.13	+1.23
Transp	218.13	218.13	218.13	+1.23
Utilities	218.13	218.13	218.13	+1.23
Finance	218.13	218.13	218.13	+1.23

NASDAQ Indexes				
Index	High	Low	Last	Chg
Composite	676.95	676.95	676.95	+10.1
Indus	241.32	241.32	241.32	+1.23
Transp	241.32	241.32	241.32	+1.23
Utilities	241.32	241.32	241.32	+1.23
Finance	241.32	241.32	241.32	+1.23

AMEX Percent Gainers				
Vol.	High	Low	Last	Pct
1,234	100	100	100	+1.2
1,234	100	100	100	+1.5
1,234	100	100	100	+1.8

NYSE Diary				
Index	High	Low	Last	Chg
Advanced	1,811	1,811	1,811	+48
Declined	201	201	201	-48
Unchanged	20	20	20	0
Total Issues	2,032	2,032	2,032	0

AMEX Diary				
Index	High	Low	Last	Chg
Advanced	579	579	579	+20
Declined	78	78	78	-20
Unchanged	16	16	16	0
Total Issues	673	673	673	0

NASDAQ Diary				
Index	High	Low	Last	Chg
Advanced	1,350	1,350	1,350	+154
Declined	150	150	150	-154
Unchanged	43	43	43	0
Total Issues	1,543	1,543	1,543	0

NYSE Sales				
Year	Total	Declined	Unchanged	Total Issues
1992	\$1,225,471,200	1,811	201	2,032
1991	\$1,225,471,200	1,811	201	2,032
1990	\$1,225,471,200	1,811	201	2,032
1989	\$1,225,471,200	1,811	201	2,032

AMEX Sales				
Year	Total	Declined	Unchanged	Total Issues
1992	\$395,779,600	579	78	673
1991	\$395,779,600	579	78	673
1990	\$395,779,600	579	78	673
1989	\$395,779,600	579	78	673

NASDAQ Sales				
Year	Total	Declined	Unchanged	Total Issues
1992	\$8,238,488,000	1,350	150	1,543
1991	\$8,238,488,000	1,350	150	1,543
1990	\$8,238,488,000	1,350	150	1,543
1989	\$8,238,488,000	1,350	150	1,543

NYSE Most Active				
Symbol	Vol.	High	Low	Last
IBM	1,234	100	100	100
GE	1,234	100	100	100
AT&T	1,234	100	100	100

AMEX Most Active				
Symbol	Vol.	High	Low	Last
AMEX	1,234	100	100	100
AMEX	1,234	100	100	100
AMEX	1,234	100	100	100

NASDAQ Most Active				
Symbol	Vol.	High	Low	Last
AMEX	1,234	100	100	100
AMEX	1,234	100	100	100
AMEX	1,234	100	100	100

## The Good, Bad and Outrageous

By Floyd Norris  
New York Times Service

**A** year ago, the seers thought 1992 would be a year in which unity would prevail in Europe, and George Bush in the American elections. Neither, he turned out, proved a winner.

But there were winners — and a lot of losers, too — justifying the following awards.

There will, unfortunately, be no awards ceremony.

**'Did I Say That?' Award**

To John Frazee Jr., chairman of Centel Corp., who talked of values above \$60 a share if Centel was sold, then agreed to a merger in which Centel shares were exchanged for Sprint stock worth about \$33.50, \$9 below Centel's market value at the time. Mr. Frazee did not offer refunds to shareholders who, having listened to him, paid premium prices for the stock.

**Profiles in Courage Award**

To Gary L. Roubos, chief executive of Dover Corp., for being the only member of the Business Roundtable, big business lobbying arm, to support the idea that stock options for executives are worth something. That dissent may have helped persuade the Securities and Exchange Commission to require that shareholders be told the value of the options so eagerly sought by many of the same executives who claim they are worthless.

**Charity for the Greedy Award**

To Western Europe's finance ministers, who maintained the exchange-rate mechanism just long enough to allow speculators from around the world to get positioned for its inevitable breakdown. Central banks lost billions even as governments were saying they had to cut spending on social services.

**Pinochio Award**

To Norman Lamont, Britain's chancellor of the Exchequer, who vowed to take "whatever measures are necessary" to avoid devaluation of the pound, then, within hours, devalued it. To the surprise of many, Mr. Lamont kept his job.

**Boy Who Cried Wolf Award**

To George Bush, who had seen so many signs of growth since the recession began in 1990 that he was ignored when he talked of recovery — correctly, it turned out — in mid-1992.

**JFK Missile Gap Award**

To Bill Clinton, who ran on the theory that the recession was still on, and discovered almost as soon as the votes were counted that it had vanished.

**Nothing Personal Award**

To Robert C. Stempel, ousted by the General Motors board as chief executive, then promptly rehired as a consultant.

Runner-up: James Robinson III, chairman of American Express, forced to lead a board committee to choose his successor so he could take early retirement.

**Heads I Win, Tails You Lose**

To Ernst & Young, whose predecessor firm came to dominate a large part of the savings and loan auditing business in the 1980s with a reputation for being well, not hostile to aggressive accounting techniques. This year Ernst agreed to pay \$400 million to federal regulators and \$63 million to investors who had bought junk bonds issued by the parent of Charles Keating's Lincoln Savings. Ernst's insurers, not the partners who allowed the bad accounting to go on, paid most of the firm's penalties.

**Best Unpopular IPO**

To the Equitable Cos. and its chairman, Richard Jenrette, for a public offering that drew Wall Street hisses at \$9 a share, then rose above \$14 in December.

**Worst IPO (Completed)**

To Computervision, formerly Prime Computer, which, after cutting its price and reducing the number of shares offered, finally got to market at \$12 a share in August. Most of the proceeds went to the underwriter, Shearson Lehman, which just happened to be the firm that had made the mistake of financing Prime's

leveraged buyout in 1989. Computervision is trading below \$6.

**Worst IPO (Uncompleted)**

To GPA Group, whose prospectus showed it had made lots of money by speculating on rising prices of jets, which it leased to airlines and had ordered dozens of new planes without bothering to line up airlines to lease them. Institutional investors balked, forcing the withdrawal of the offer, and by late in the year it was clear that GPA was in big trouble.

**Magoo Award for Auditing**

To KPMG Peat Marwick, which did not notice that checks being issued by Comprotron Corp. to pay for equipment were being deposited into Comprotron's own bank accounts as payment for products it had supposedly sold. KPMG certified fictional profits for three years.

**Flip of the Year**

To Kohlberg, Kravis, Roberts & Co., which bought American Re, the reinsurance firm, from Aetna in September, and proposes to sell part of it to the public, at triple the price. Why? Hurricanes caused big losses for insurers. Wall Street, in its infinite wisdom, figured this made insurance stocks more valuable, because now the companies would be sure to raise premiums.

**Best Industry Remaking**

To Ed Artz, chairman of Procter & Gamble, for changing the way consumer goods are sold. Rather than charge high prices to retailers and then offer them lots of money for promotion, the company simply cut prices and promotional money. Amazingly, profits rose.

**Worst Industry Remaking**

To Robert Crandall, chairman of AMR, American Airlines's parent, for unsuccessfully trying to rationalize industry pricing. His attempts failed in part because he could not resist punishing competitors that offered discounts — by discounting even more. As the red ink mounted, AMR began to fire executives to save money. Mr. Crandall was not among those receiving pink slips.

**Banner Year for Bad Tips as Scams Fool Analysts**

By Diana B. Henriques  
New York Times Service

**N**EW YORK — For most Wall Street analysts, 1992 was a year only a gunshow could love. It was a year that produced carefully researched "buy" recommendations from respected analysts for companies with phony profits and lying executives. Financial fudging became so common that analysts considered themselves lucky if a scandal stopped short of indictment — and often, they were not that lucky.

"It was the year of the scam," said Howard M. Schilit, an accounting professor at American University in Washington. "And greed being what it is, analysts should not expect that 1993 will be any different."

Unfortunately, the folks at Institutional Investor magazine who parcel out the annual "All-American Analyst" awards may not yet realize that the most important graph for today's analyst may be the polygraph.

Here, then, are some awards that truly reflect the current corporate crime spree.

**The Wrong Place, Wrong Time Award**

For untimely inspiration goes to Melinda Reach, the Merrill Lynch analyst who made her initial "buy" recommendation for Comprotron Corp. on Nov. 24, when the electronics company's stock traded on Nasdaq for \$22 a share. The next day, the company said three top executives had been suspended for inflating three years' worth of profits, and the stock plunged to about \$6 a share, where it still hovers.

Of course, the unfortunate Ms. Reach's chief distinction was that she was closest to the bomb when it went off. A half-dozen other analysts also had failed to detect what, to Mr. Schilit's Sherlockian eye, were obvious signs of financial sabotage.

"Of all the shenanigans of the year, the one that should have been caught by the financial analysts was Comprotron," said the professor, who receives the Baker Street Irregulars Award for financial sleuthing beyond the confines of Wall Street.

His evidence: Sales and accounts receivable usually move in tandem, because good customers rarely pay on the spot. But these receivables were not growing nearly so fast as sales. Was

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# 1992 U.S. STOCK MARKETS / UNFINISHED BUSINESS

## NASDAQ

National Market  
1992 Prices  
Denotes sales in 1000.  
All other sales in hundreds.  
Via The Associated Press

(Continued)

12 Month	High	Low	Stock	Yld	PE	Vol	High	Low	Close	Chg	Pct
12/1	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/2	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/3	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/4	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/5	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/6	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/7	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/8	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/9	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/10	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/11	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/12	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/13	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/14	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/15	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/16	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/17	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/18	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/19	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/20	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/21	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/22	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/23	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/24	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/25	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/26	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/27	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/28	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/29	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/30	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/31	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1

12 Month	High	Low	Stock	Yld	PE	Vol	High	Low	Close	Chg	Pct
12/1	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/2	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/3	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/4	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/5	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/6	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/7	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/8	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/9	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/10	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/11	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/12	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/13	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/14	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/15	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/16	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/17	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/18	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/19	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/20	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/21	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/22	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/23	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/24	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/25	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/26	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/27	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/28	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/29	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/30	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/31	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1

12 Month	High	Low	Stock	Yld	PE	Vol	High	Low	Close	Chg	Pct
12/1	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/2	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/3	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/4	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/5	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/6	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/7	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/8	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/9	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/10	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/11	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/12	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/13	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/14	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/15	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/16	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/17	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/18	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/19	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/20	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/21	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/22	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/23	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/24	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/25	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/26	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/27	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/28	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/29	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/30	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/31	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1

## For World's Big Markets, Small Returns

By Kenneth N. Gilpin  
New York Times Service

NEW YORK — For most international investors, particularly those who placed their money in the liquid stock markets, 1992 promised much more than it delivered. For the third straight year, returns on American stocks outpaced gains in foreign markets.

Money was made, of course, but the gains were confined to small markets whose currencies were either tied to the dollar, like Mexico's, or not tied to the Deutsche mark, like Switzerland's.

"For most, it was an entirely forgettable year," said Jeffrey Russell, a manager of Smith Barney, Harris Upham's World Funds International Equity portfolio. "Economic conditions were difficult in many countries. European growth decelerated and in many parts of the world interest rates were extraordinarily high."

Nineteen ninety-two was to be the Year of Europe, of vigorous growth in Japan and a building recovery in the United States. But the Danes, then the British, torpedoed Europe's timetable, with help from the Bundesbank, whose

## Country Fund Issues Flop

Bloomberg Business News

PRINCETON, New Jersey — Initial public offerings of closed-end country funds raised about \$1.3 billion in 1992, but shareholders had little to show for their investments.

There wasn't a winner in the lot. Remarkably, all 14 of last year's offerings were down at year-end. Individuals investing in these often volatile vehicles lost an average of 13.6 percent on their shares.

There were a variety of reasons for the downturn, including too many new funds chasing too little money in slumping economies and underwriters who substantially overestimated the value of the equities in their portfolios.

"I can't imagine how underwriters can keep doing these offerings with the same structure that has been so unsuccessful in the past," said Thomas J. Herzfeld, who tracks closed-end funds.

Closed-end country funds carry a portfolio of stocks from a particular country, offering a fixed amount of shares.

of hope ended and the season of reality began."

It was in May that Danish voters sent Europe's ambitious plans for monetary and economic unification by delivering a stunning "no" vote to the Maastricht treaty, the first in a chain of events that culminated in September, when Britain gave in to market pressures by pulling the pound out of Europe's exchange-rate mechanism.

That decision gave the government latitude to push down interest rates, and in the fourth quarter British stock prices reacted favorably, rising by more than 12 percent in local currency terms.

But because of the sharp fourth-quarter rally in the dollar against the pound, those local currency gains turned into a decline of roughly 4.20 percent.

The Tokyo Stock Exchange, the world's most highly capitalized stock market in 1989, has had a disastrous performance ever since. Japanese stocks fell 22.67 percent last year in dollar terms.

"Nobody expected that the slowdown in the Japanese economy would be as great as it was," said Sander Cseh, president of Cseh International, a Berwyn, Pennsylvania, money management firm.

according to the world index of the Financial Times of London.

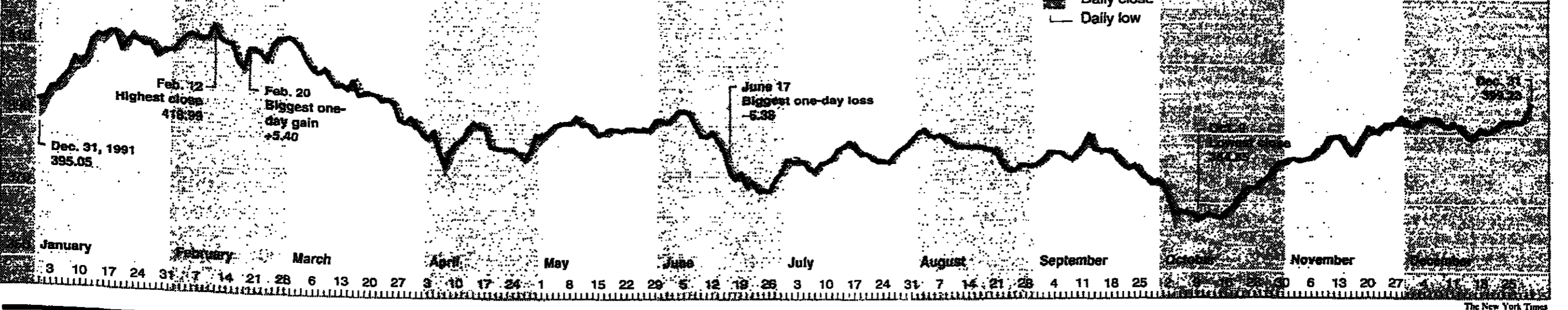
In the United States, where equity investors took some comfort from steady declines in interest rates during the year, stock prices rose by 4.83 percent, according to the Financial Times.

"It was the year of the false dawn," said Marcus Grubb, an international equity strategist at Salomon Brothers in London. "But it was not until May that the season

12 Month	High	Low	Stock	Yld	PE	Vol	High	Low	Close	Chg	Pct
12/1	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/2	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/3	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/4	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/5	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/6	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/7	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/8	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/9	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/10	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/11	146	142	Amgen	10.5	18	100	146	142	145	+3	+2.1
12/12	146	142	Amgen	10.5	18	100	146				

# 1992 U.S. STOCK MARKETS / YEAR ON AMEX

## The Amex Market Value Index in 1992



### AMEX 1992 Prices

Denotes sales x 1000.  
All other sales in hundreds.  
Via The Associated Press

12 Month High	Low	Stock	Yld.	PE	Vol.	High	Low	Close	Chg.	Pct.
70	60	AAI	6.0	10.0	100	100	100	100	0	0
10	8	AAI	6.0	10.0	100	100	100	100	0	0
10	8	AAI	6.0	10.0	100	100	100	100	0	0

### Amex Winners and Losers

Common stocks whose prices rose or fell the most in percentage terms, as calculated by Media General. Stocks that began the year under \$5 are excluded. Only one class of stock is included for each company.

1992 High	1992 Low	Dec. 31 Close	% change from '91
\$29.00	\$ 7.38	\$27.00	278.7
\$36.50	\$10.00	\$36.50	229.7
\$17.75	\$ 6.00	\$17.38	185.4
\$18.63	\$ 7.00	\$18.00	161.6
\$32.75	\$ 9.38	\$30.13	160.0
\$18.00	\$ 6.38	\$17.68	159.9
\$22.00	\$ 8.50	\$21.88	157.4
\$18.19	\$ 6.56	\$18.75	148.1
\$43.25	\$16.13	\$43.25	138.8
\$31.63	\$11.50	\$29.00	132.0

### Amex Losers

1992 High	1992 Low	Dec. 31 Close	% change from '91
\$ 9.38	\$ 0.50	\$ 1.25	-83.9
\$ 6.58	\$ 0.63	\$ 1.08	-81.2
\$37.00	\$ 3.63	\$ 6.88	-79.7
\$ 8.13	\$ 0.44	\$ 1.25	-77.8
\$ 7.50	\$ 0.63	\$ 1.50	-77.4
\$25.00	\$ 4.75	\$ 5.00	-76.0
\$43.63	\$ 6.13	\$11.13	-71.5
\$ 6.00	\$ 4.37	\$ 4.12	-71.4
\$21.00	\$ 5.13	\$ 6.25	-68.2

### Amex Gainers

12 Month High	Low	Stock	Yld.	PE	Vol.	High	Low	Close	Chg.	Pct.
114	10	Amgen	7.3	10.0	100	100	100	100	0	0
23	11	Avery	2.9	10.0	100	100	100	100	0	0

### Amex Losers

12 Month High	Low	Stock	Yld.	PE	Vol.	High	Low	Close	Chg.	Pct.
44	24	Shelton	1.6	10.0	100	100	100	100	0	0
21	11	Shelton	1.6	10.0	100	100	100	100	0	0

### Amex Gainers

12 Month High	Low	Stock	Yld.	PE	Vol.	High	Low	Close	Chg.	Pct.
72	60	AAI	6.0	10.0	100	100	100	100	0	0
10	8	AAI	6.0	10.0	100	100	100	100	0	0

### Amex Losers

12 Month High	Low	Stock	Yld.	PE	Vol.	High	Low	Close	Chg.	Pct.
44	24	Shelton	1.6	10.0	100	100	100	100	0	0
21	11	Shelton	1.6	10.0	100	100	100	100	0	0

## Junk Rules the Roost, Powered by the Recovery

**Bloomberg Business News**

**NEW YORK** — Junk bonds offered the highest returns in the U.S. corporate bond market last year and are poised to remain No. 1 in 1993, analysts said.

High-yield, high-risk junk bonds "offer the best returns" into 1993, said Jennifer Leichter, manager of Putnam Diversified Income Trust. That's because junk stands to get a boost from a rebounding economy while still paying interest rates often several percentage points above investment-grade securities.

"Higher corporate profits will lead to improvements in junk-bond credit ratings," Ms. Leichter said.

Junk bonds are those rated below triple-B minus by Standard & Poor's and Baad by Moody's Investors Service. Higher credit ratings, which imply a greater ability to repay bond obligations, should help raise junk bond prices.

Junk bonds provided average returns of 14.45 percent in 1992, more than double the average 6.02 percent for high-grade corporate bonds, according to data compiled by Lehman Brothers.

Individuals who invested in junk bonds in 1992 also did well. Mutual funds that invest only in junk bonds returned 16.19 percent in 1992, almost triple the 5.5 percent for investment-grade bond funds, according to Lipper Analytical Services.

Junk bonds will perform better than high grade bonds next year because "an economic recovery will continue to build up creditworthiness" of lower-rated companies, said David Brazziano, manager of Fidelity Capital & Income Fund.

While the recession lingered, bonds of companies like RJR Nabisco Holdings Corp., Chrysler Corp. and Unisys Corp. managed to rally last year as the companies cut costs and improved their financial health.

A rating increase to investment grade in December 1991 helped RJR's 8 1/2 percent bonds due 2017 climb to \$1,016.80 per \$1,000 face value from \$989.00, providing a total return for 1992 of 11.16 percent. Auburn Hills Trust bonds due 2020 climbed to \$1,335 each from \$775 a year ago for a total return of 76.9 percent. The outlook for Detroit's No. 3 auto-maker improved amid brisk sales of its mini-

vans and new sedans and expectations the company's credit rating will be raised soon. In November, Moody's said it might raise its rating on Chrysler's senior debt from B1.

Unisys' 9.5 percent bonds due 1998 rose to \$971.30 per \$1,000 face amount, to yield 10.19 percent, from \$921.30 in October, after Moody's raised its rating on the computer company to B1 from B2.

In contrast, "turmoil at the management level" at General Motors Corp., International Business Machines Corp. and Westinghouse Corp. "crushed" the market for yesterday's top borrowers, said James Drury, an analyst at Prudential Securities.

Bonds sold by General Motors Acceptance Corp., the financing arm of GM, declined after Moody's lowered its rating on GM and GMAC to Baal from A2 in November. GMAC's \$300 million of 10-year, 5 1/2 percent bonds declined to \$965.80 per bond from \$1,000 when they were sold in October.

IBM bonds, once among the safest investments in America, declined after the computer maker said it would take a \$6 billion fourth-quarter charge and slash 25,000 jobs. IBM's 6 1/2 percent bonds due 1997 fell to a low of \$985.10 per \$1,000 face amount in December, to yield 6.74 percent, from a high of \$1,006.30 shortly after they were sold in October.

Moody's said in December that it may cut its A2 rating on IBM's debt after having lowered its rating in March from the highest possible, triple-A.

John Geissinger, manager of Putnam Income Fund, said his fund was "steering away" from corporate bonds with ratings of double- and triple-A because many of these companies are just beginning to take steps to cut costs and reorganize their businesses.

The junk bond market, by contrast, offers the possibility to invest in companies that may be further along in their reorganizations.

Mr. Brazziano's fund at Fidelity owns about \$50 million of Dr. Pepper/Seven Up Cos. bonds. The beverage company, in the midst of a reorganization, is planning an initial public offering of 20 million shares of common stock. As a result, the fund "may end up with some stock or a combination of stock and new bonds at a higher market value than the old bonds," he said.

### Amex Gainers

12 Month High	Low	Stock	Yld.	PE	Vol.	High	Low	Close	Chg.	Pct.
114	10	Amgen	7.3	10.0	100	100	100	100	0	0
23	11	Avery	2.9	10.0	100	100	100	100	0	0

### Amex Losers

12 Month High	Low	Stock	Yld.	PE	Vol.	High	Low	Close	Chg.	Pct.
44	24	Shelton	1.6	10.0	100	100	100	100	0	0
21	11	Shelton	1.6	10.0	100	100	100	100	0	0

### Amex Gainers

12 Month High	Low	Stock	Yld.	PE	Vol.	High	Low	Close	Chg.	Pct.
72	60	AAI	6.0	10.0	100	100	100	100	0	0
10	8	AAI	6.0	10.0	100	100	100	100	0	0

### Amex Losers

12 Month High	Low	Stock	Yld.	PE	Vol.	High	Low	Close	Chg.	Pct.
44	24	Shelton	1.6	10.0	100	100	100	100	0	0
21	11	Shelton	1.6	10.0	100	100	100	100	0	0

### Amex Gainers

12 Month High	Low	Stock	Yld.	PE	Vol.	High	Low	Close	Chg.	Pct.
114	10	Amgen	7.3	10.0	100	100	100	100	0	0
23	11	Avery	2.9	10.0	100	100	100	100	0	0

### Amex Losers

12 Month High	Low	Stock	Yld.	PE	Vol.	High	Low	Close	Chg.	Pct.
44	24	Shelton	1.6	10.0	100	100	100	100	0	0
21	11	Shelton	1.6	10.0	100	100	100	100	0	0

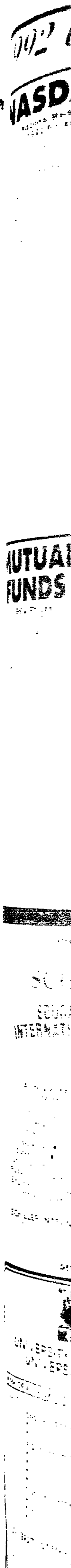
1992 U.S. STOCK MARKETS / RECORD FOR MUTUAL FUNDS

MUTUAL FUNDS

1992 Prices Via The Associated Press

Main table containing 1992 prices for various mutual funds, organized by category such as Bond Funds, Equity Funds, and Money Funds. Each entry includes the fund name, its 1991 NAV, 1992 NAV, and percentage change.

(Continued on next page)



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# 1992 U.S. STOCK MARKETS / MARKET REVIEW

## NASDAQ

National Market  
1992 Prices  
All other sales in hundreds.  
Via The Associated Press

12 Month High	Low	Stock	Yld. PE Vol.	High	Low	Close	Chg	Pct.
175	175	Altria	12.0	175	175	175	0	0.0
110	110	Amgen	12.0	110	110	110	0	0.0
110	110	Amgen	12.0	110	110	110	0	0.0
110	110	Amgen	12.0	110	110	110	0	0.0
110	110	Amgen	12.0	110	110	110	0	0.0

## SCAM: Banner Year for Bad Tips

(Continued from Page 9)

every new customer paying on delivery. Similarly, inventory usually keeps pace with accounts payable, because companies do not usually pay cash at the delivery dock for goods ordered as inventory. But at Comprotech, inventories were soaring while payables were standing still. Lastly, inventories were turning over much more slowly than the company's robust sales growth would suggest.

"So they had to be dumping things into the inventory account that didn't belong there," Mr. Schilt said. Indeed they were, the company's emergency audit team later disclosed. Phantom additions to inventory had artificially reduced the reported cost of goods sold and, thus, had inflated profits.

The rare and coveted Double Jeopardy Award is being shared this year by analysts at Merrill Lynch and Salomon Brothers who managed to get burned at least twice in a single year by the same company.

Sequoia Systems, a fast-growing computer systems manufacturer in Marlborough, Massachusetts, had been recommended as an "above average" long-term performer by George Elling at Merrill Lynch and as a "buy" by John Jones at Salomon. Those ratings held through June, when a company executive disclosed that the Securities and Exchange Commission was checking the company's sales accounting, through July, when the company delayed its report for the financial year ended in June, and through August, when the com-

## Wall Street Did a Job Selling America, Inc.

By Saul Hansell  
New York Times Service

NEW YORK — The mergers were messy; the Dow was dowdy; the trading was treacherous. It was a mixed year for many parts of Wall Street. Yet in its classic business of raising capital for companies, the underwriters were unbelievable.

Corporations had sold a record \$38.3 billion of securities in the U.S. public markets in 1992. So it was to Wall Street's surprise that the total for 1993 soared 45 percent, including \$74.4 billion in debt and \$101.6 billion in equity, according to data provided by Securities Data Corp.

With the economy limping along, corporations generally were not raising money to finance new investments.

Rather, they were replacing high-interest debt they accumulated in the 1980s with lower-rate debt and equity. More than a third of the bond issues were simply corporations calling existing bonds and issuing new ones at lower interest rates, investment bankers said.

Conglomerates and leveraged-buyout firms that wanted to sell business units found the most eager buyers were in the public new-issue market, because corporations were leath to make new acquisitions.

At the same time, falling short-term rates encouraged institutional and individual investors to search for more attractive opportunities like longer-term bonds, new stock issues and convertible securities.

Investors poured more than \$68 billion into equity mutual funds in the first 11 months of the year, and much of that went up buying new issues.

"Mutual funds have driven the new-issue market this year," compared with previous years when there was a broader range of buyers, said Vikram S. Pandit, head of equity syndication at Morgan Stanley.

To many investment bankers, one of the biggest surprises of the year was how easily the market absorbed huge issues. There were more than 25 debt and equity issues that each raised more than \$1 billion in United States markets.

General Motors, despite its persistent losses and management turmoil, sold \$1.5 billion of common stock in the United States in May, part of a \$2.15 billion global issue, the largest common stock issue ever by a U.S. company.

## MUTUAL FUNDS

1992 Prices  
Via The Associated Press

1991 NAV	Div. Yield	1992 NAV	Capital Gains	NAV
11.02	4.5	11.41	0.39	11.41
10.54	4.7	11.04	0.50	11.04
10.51	5.1	10.82	0.31	10.82
10.51	5.1	10.82	0.31	10.82
10.51	5.1	10.82	0.31	10.82

## EDUCATION DIRECTORY

1991 NAV	Div. Yield	1992 NAV	Capital Gains	NAV
11.02	4.5	11.41	0.39	11.41
10.54	4.7	11.04	0.50	11.04
10.51	5.1	10.82	0.31	10.82
10.51	5.1	10.82	0.31	10.82
10.51	5.1	10.82	0.31	10.82

## NYSE

1992 Prices  
All other sales in hundreds.  
Via The Associated Press

12 Month High	Low	Stock	Yld. PE Vol.	High	Low	Close	Chg	Pct.
175	175	Altria	12.0	175	175	175	0	0.0
110	110	Amgen	12.0	110	110	110	0	0.0
110	110	Amgen	12.0	110	110	110	0	0.0
110	110	Amgen	12.0	110	110	110	0	0.0
110	110	Amgen	12.0	110	110	110	0	0.0

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# NYSE

## Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Stock Div Yld PE 100s High Low Last Chg

12 Month High	12 Month Low	Stock	Div	Yld	PE	100s	High	Low	Last	Chg
111.12	108.12	AA					111.12	108.12	110.00	+1.12
108.12	105.12	AB					108.12	105.12	107.00	+1.12
105.12	102.12	AC					105.12	102.12	104.00	+1.12
102.12	99.12	AD					102.12	99.12	101.00	+1.12
99.12	96.12	AE					99.12	96.12	97.00	+1.12
96.12	93.12	AF					96.12	93.12	95.00	+1.12
93.12	90.12	AG					93.12	90.12	92.00	+1.12
90.12	87.12	AH					90.12	87.12	88.00	+1.12
87.12	84.12	AI					87.12	84.12	86.00	+1.12
84.12	81.12	AJ					84.12	81.12	83.00	+1.12
81.12	78.12	AK					81.12	78.12	80.00	+1.12
78.12	75.12	AL					78.12	75.12	77.00	+1.12
75.12	72.12	AM					75.12	72.12	74.00	+1.12
72.12	69.12	AN					72.12	69.12	71.00	+1.12
69.12	66.12	AO					69.12	66.12	68.00	+1.12
66.12	63.12	AP					66.12	63.12	65.00	+1.12
63.12	60.12	AQ					63.12	60.12	62.00	+1.12
60.12	57.12	AR					60.12	57.12	59.00	+1.12
57.12	54.12	AS					57.12	54.12	56.00	+1.12
54.12	51.12	AT					54.12	51.12	53.00	+1.12
51.12	48.12	AV					51.12	48.12	50.00	+1.12
48.12	45.12	AW					48.12	45.12	47.00	+1.12
45.12	42.12	AX					45.12	42.12	44.00	+1.12
42.12	39.12	AY					42.12	39.12	41.00	+1.12
39.12	36.12	AZ					39.12	36.12	38.00	+1.12
36.12	33.12	BA					36.12	33.12	35.00	+1.12
33.12	30.12	BB					33.12	30.12	32.00	+1.12
30.12	27.12	BC					30.12	27.12	29.00	+1.12
27.12	24.12	BD					27.12	24.12	26.00	+1.12
24.12	21.12	BE					24.12	21.12	23.00	+1.12
21.12	18.12	BF					21.12	18.12	20.00	+1.12
18.12	15.12	BG					18.12	15.12	17.00	+1.12
15.12	12.12	BH					15.12	12.12	14.00	+1.12
12.12	9.12	BI					12.12	9.12	11.00	+1.12
9.12	6.12	BJ					9.12	6.12	8.00	+1.12
6.12	3.12	BK					6.12	3.12	5.00	+1.12
3.12	0.12	BL					3.12	0.12	4.00	+1.12

12 Month High	12 Month Low	Stock	Div	Yld	PE	100s	High	Low	Last	Chg
111.12	108.12	AA					111.12	108.12	110.00	+1.12
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102.12	99.12	AD					102.12	99.12	101.00	+1.12
99.12	96.12	AE					99.12	96.12	97.00	+1.12
96.12	93.12	AF					96.12	93.12	95.00	+1.12
93.12	90.12	AG					93.12	90.12	92.00	+1.12
90.12	87.12	AH					90.12	87.12	88.00	+1.12
87.12	84.12	AI					87.12	84.12	86.00	+1.12
84.12	81.12	AJ					84.12	81.12	83.00	+1.12
81.12	78.12	AK					81.12	78.12	80.00	+1.12
78.12	75.12	AL					78.12	75.12	77.00	+1.12
75.12	72.12	AM					75.12	72.12	74.00	+1.12
72.12	69.12	AN					72.12	69.12	71.00	+1.12
69.12	66.12	AO					69.12	66.12	68.00	+1.12
66.12	63.12	AP					66.12	63.12	65.00	+1.12
63.12	60.12	AQ					63.12	60.12	62.00	+1.12
60.12	57.12	AR					60.12	57.12	59.00	+1.12
57.12	54.12	AS					57.12	54.12	56.00	+1.12
54.12	51.12	AT					54.12	51.12	53.00	+1.12
51.12	48.12	AV					51.12	48.12	50.00	+1.12
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45.12	42.12	AX					45.12	42.12	44.00	+1.12
42.12	39.12	AY					42.12	39.12	41.00	+1.12
39.12	36.12	AZ					39.12	36.12	38.00	+1.12
36.12	33.12	BA					36.12	33.12	35.00	+1.12
33.12	30.12	BB					33.12	30.12	32.00	+1.12
30.12	27.12	BC					30.12	27.12	29.00	+1.12
27.12	24.12	BD					27.12	24.12	26.00	+1.12
24.12	21.12	BE					24.12	21.12	23.00	+1.12
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18.12	15.12	BG					18.12	15.12	17.00	+1.12
15.12	12.12	BH					15.12	12.12	14.00	+1.12
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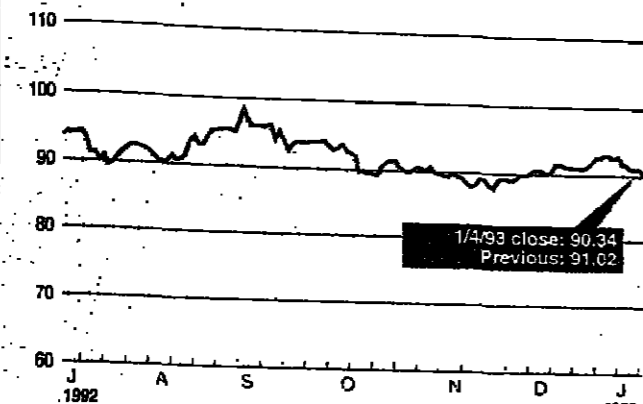
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36.12	33.12	BA					36.12	33.12	35.00	+1.12
33.12	30.12	BB					33.12	30.12	32.00	+1.12
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57.12	54.12	AS					57.12	54.12	56.00	+1.12
54.12	51.12	AT					54.12	51.12	53.00	+1.12
51.12	48.12	AV					51.12	48.12	50.00	+1.12
48.12	45.12	AW					48.12	45.12	47.00	+1.12
45.12	42.12	AX					45.12	42.12		



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Table with 3 columns: Asia/Pacific, Europe, N. America. Each column shows index values and percentage changes for various regions.

Table with 3 columns: Industrial Sectors. Lists sectors like Energy, Utilities, Finance, Services, Capital Goods, Raw Materials, Consumer Goods, and Miscellaneous with their respective index values and changes.

Möller Exit Sparks Scramble

By Brandon Mitchener. FRANKFURT — German business and political leaders said Monday that economic experience must come before political credentials in choosing a successor to Jürgen Möller...

ployment, while the East German economy is seen growing at 7 percent, with 9 percent inflation and one-third of its able-bodied workers effectively unemployed.

would have to hammer out a new power-sharing arrangement between Christian Democrats, the associated Christian Social Union and the Free Democrats at the same time he tries to fill other vacancies in the run-up for the general elections.

Rice Deal Not Imminent, Miyazawa Says

By Brandon Mitchener. TOKYO — Prime Minister Kiichi Miyazawa on Monday ruled out any imminent decision by Japan to open its rice markets...

The prime minister alarmed rice farmers last month when he suggested that Japan should make concessions in the face of mounting pressure from the international community on the rice issue.

He said then that Tokyo should not act in a manner for which it would be blamed for the failure of the Uruguay Round of trade talks...

INTERNATIONAL STOCKS

Patience Is the Byword For Amsterdam Investors

By Sarah Borchersen. AMSTERDAM — For the Dutch stock market, 1993 is likely to be a decent year, but not right away. Analysts expect that prices, as measured by the CBS General Share Index, will rise by 10 percent or more...

High Rates To Settle In At Lloyd's

LONDON — A survey of underwriters in the Lloyd's insurance market showed that most expected premium rates to continue rising strongly in the first quarter of 1993 after sharp jumps in the final three months of 1992.

Top Economist to Join Clinton's Inner Circle of Advisers

By Louis Uchitelle. NEW YORK — Responding to pressure to name a prominent mainstream economist to the Council of Economic Advisers, President-elect Bill Clinton has offered a seat on the council to Alan Blinder of Princeton University...

Citicorp Unloads Parts of Its Unprofitable Quotron Unit

NEW YORK — Citicorp, pursuing its effort to shed unprofitable businesses, said Monday that it would sell the international stock-quotation division and back-office operations of its Quotron unit to Automatic Data Processing Inc.

China's Li Meets H.K. Tycoon In Shenzhen

HONG KONG — Prime Minister Li Peng of China met the Hong Kong tycoon Li Ka-shing on Monday while on a landmark visit to the free-market enclave of Shenzhen. The Xinhua news agency said...

CURRENCY & INTEREST RATES

Large table containing various financial data including Cross Rates, Eurocurrency Deposits, Key Money Rates, and Other Dollar Values.

It Was a Hit, but Not Megahit, Box-Office Year

By David J. Fox. HOLLYWOOD — Hollywood closed the books on the 1992 box-office year with an impressive New Year's weekend that capped a year in which moviegoers bought almost \$5 billion worth of tickets.

Although estimates for 1992's box-office gross show an improvement over 1991 set against a continuing economic slump, several Wall Street analysts who follow the film industry noted that most of the increase was due to slightly higher costs for tickets.

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MARKET DIARY

Nasdaq Stocks Fall As Blue Chips Gain

Bloomberg Business News NEW YORK — U.S. stocks started the new year on a shaky footing Monday as blue chips rose slightly but over-the-counter stocks tumbled.

The Dow Jones industrial average rose 8.11 to 3,309.22, but the Nasdaq Composite Combined Index of OTC stocks lost 0.75 percent of its value, declining 5.15 to 671.80 after closing 1992 at a record high.

"The weakness among Nasdaq stocks continues, it could be a big problem for the stock market," said Dennis Jaret, chief market analyst at Kipper, Peabody & Co.

The Nasdaq composite's slide was led by shares of MCI Communications Corp., Dell Computer Corp. and Tele-Communications Inc. Declining common stocks outnumbered advanced issues by about 9 to 7 on the New York Stock Exchange. Trading was active, with about 200 million shares changing hands on the Big Board.

The stock market has weathered some pessimistic economic news in recent days, said Hugh Johnson, investment strategist at First Albany Corp.

Last week's money supply was rising at a rate of only 1.8 percent. The National Association of Purchasing Management said manufacturing activity expanded in December at a slower rate than expected.

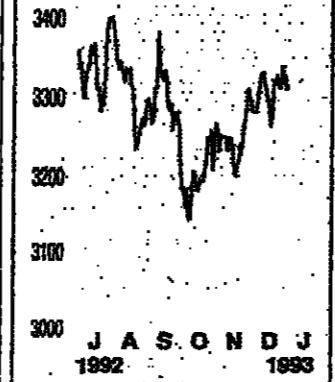
"Many investors will wait for Friday's employment report before they make too big a bet on the stock market," Mr. Johnson said. Declining Treasury bond yields stemmed losses in the stock market Monday. The slide was prompted by expectations that inflation will remain in check.

The yield on the 30-year bond was down to 7.32 percent. "The low interest rates make stocks more attractive relative to other securities," Mr. Johnson said.

Citicorp, which hit a 52-week high Thursday, slumped 1 to 2 1/4. FannieWebber cut its rating on the stock.

Toys 'R Us declined 1 1/2 to 38 1/2 amid concerns about the sales outlook now that the holiday season is over, traders said. Toys 'R Us said U.S. sales rose 10.7 percent on a same-store basis during the Christmas shopping season.

The Dow Daily closings of the Dow Jones Industrial Average



NYSE Most Active

Table listing the most active stocks on the NYSE, including volume, high, low, and close prices for various companies like IBM, Microsoft, and Intel.

AMEX Stock Index

Table showing the AMEX stock index performance, including high, low, and close prices.

Dow Jones Bond Averages

Table showing the Dow Jones Bond Averages, including high, low, and close prices for various bond categories.

Market Sales

Table showing market sales data for various categories, including volume and price changes.

S&P 100 Index Options

Table showing S&P 100 Index Options data, including call and put option prices.

NASDAQ Diary

Table showing the NASDAQ Diary, including advanced, declined, and unchanged issues.

Dow Jones Averages

Table showing Dow Jones Averages for various market indices, including Open, High, Low, and Close prices.

Standard & Poor's Indexes

Table showing Standard & Poor's Indexes for various sectors like Industrials, Utilities, and Finance.

NYSE Indexes

Table showing NYSE Indexes for various market segments.

NASDAQ Indexes

Table showing NASDAQ Indexes for various market segments.

AMEX Stock Index

Table showing the AMEX Stock Index performance.

Dow Jones Bond Averages

Table showing Dow Jones Bond Averages.

Market Sales

Table showing Market Sales data.

S&P 100 Index Options

Table showing S&P 100 Index Options data.

EUROPEAN FUTURES

Table showing European Futures for various commodities like Gold, Silver, and Copper.

Food

Table showing Food futures prices for items like Cocoa, Coffee, and Sugar.

Metals

Table showing Metals futures prices for Aluminum, Zinc, and Lead.

Spot Commodities

Table showing Spot Commodities prices for various raw materials.

Dividends

Table showing Dividends for various companies.

Stock Indexes

Table showing Stock Indexes for various international markets.

U.S. FUTURES

Table showing U.S. Futures prices for various commodities.

Industrials

Table showing Industrials futures prices for various sectors.

Metals

Table showing Metals futures prices.

Spot Commodities

Table showing Spot Commodities prices.

Dividends

Table showing Dividends for various companies.

Stock Indexes

Table showing Stock Indexes for various international markets.

U.S. FUTURES

Table showing U.S. Futures prices for various commodities.

Grains

Table showing Grains futures prices for Wheat, Corn, and Soybeans.

Metals

Table showing Metals futures prices.

Livestock

Table showing Livestock futures prices for Cattle and Hogs.

Food

Table showing Food futures prices.

Financial

Table showing Financial futures prices.

U.S. Bills (TMM)

Table showing U.S. Bills (TMM) prices.

U.S. Treasury (CBT)

Table showing U.S. Treasury (CBT) prices.

U.S. Treasury (CBT)

Table showing U.S. Treasury (CBT) prices.

U.S. Treasury (CBT)

Table showing U.S. Treasury (CBT) prices.

U.S. Building Surges in November

WASHINGTON (Bloomberg) — U.S. construction spending rose 2.1 percent in November, the third consecutive monthly gain, reaching the highest level since 1990, the Commerce Department said Monday.

The gain was stronger than anticipated by financial markets and provided another signal that the economy is gathering steam. Many economists had expected an increase closer to 0.5 percent in construction spending.

The advance in November, to a seasonally adjusted annual rate of \$441.8 billion, followed a revised a 0.8 percent increase in October to \$432.8 billion, earlier reported as a gain of 1 percent.

Bond Quality Declined Less in 1992

NEW YORK (Bloomberg) — The decline in the quality of corporate bonds was less severe in 1992 than in 1991, mainly because U.S. interest rates were lower, Standard & Poor's Corp. reported Monday.

S&P lowered ratings on the debt of 481 companies last year, for a total of \$377.6 billion, and raised its ratings on 252 corporations with total debt of \$123 billion. In 1991, S&P had cut the ratings of 695 companies with total debt of \$503.8 billion. The agency had upgraded 220 corporations with debt of \$131.6 billion.

Salomon Settles with 2 Executives

NEW YORK (Combined Dispatches) — Salomon Inc. said Monday it had settled compensation claims with Thomas Strauss and John Meriwether, two of four executives who resigned from the firm in the wake of the U.S. Treasury auction scandal.

Mr. Strauss, Salomon's former chief operating officer, was allowed to exercise options to purchase 145,000 Salomon shares, worth about \$2.85 million at Monday's price levels. Mr. Meriwether, a former Salomon Brothers vice chairman, will receive \$8 million for his work in 1991 and \$1.7 million for losses suffered when he could not exercise stock options.

Du Pont Absorbs Hit of \$5.3 Billion

WILMINGTON, Delaware (Bloomberg) — Du Pont Co. said Monday it would take charges of \$5.28 billion against 1992 earnings and would cut employee health-care benefits.

The chemical and energy conglomerate said it would take a one-time catch-up charge of \$4.8 billion, or \$7.15 a share, which includes \$3.8 billion for retiree benefits and \$1 billion for changes in income-tax accounting.

Additionally, the company said it would take a charge of \$200 million, or 30 cents a share, to cover the after-tax increase of retiree health costs under the company's current plan.

Du Pont also said it would reduce future health-care benefits for its 145,000 U.S. beneficiaries. Its stock rose 62.5 cents to \$47.75.

For the Record

Northwest Airlines said Monday it would lay off more than 1,000 workers, including 780 flight attendants and a number of ground personnel and reservations agents.

Target Stores, a unit of Dayton Hudson Corp., is looking for 2,300 people to start working in 11 new stores throughout the Chicago area in mid-March.

Weekend Box Office

"Aladdin" moved into first place at the U.S. box office during the New Year's weekend. Following are the Top 10 moneymakers, based on Friday ticket sales and estimated sales for Saturday and Sunday.

- 1. "Aladdin" (Disney) \$16 million
2. "A Few Good Men" (Columbia) \$14 million
3. "Home Alone 2" (Warner Bros.) \$12 million
4. "The Bodyguard" (Warner Bros.) \$8 million
5. "Forever Young" (19th Century Fox) \$5 million
6. "Holler" (Hollywood Pictures) \$4.5 million
7. "The Distinguished Gentleman" (Paramount) \$4 million
8. "Lone Star" (19th Century Fox) \$3.5 million
9. "Toys" (Universal) \$3 million
10. "Trespass" (Universal) \$2.5 million

FRANC: Speculators Get the Range

(Continued from page 1) on-coverage Smith Barne, that's what Dominique Strauss-Kahn, France's trade minister, hopefully predicted Monday. In a radio interview, he said he was "confident" that Germany would cut rates "in the coming weeks."

Michel Sapin, the finance minister, said in another radio interview that the franc would be demonstrated in the days and weeks to come and that speculators against the franc "will pay for their mistake."

Reuters further quoted him as saying that a rapid gain of independence to the Bank of France would help persuade currency markets that the government will continue to support the franc, even if the opposition comes to power in the March elections.

The Bundesbank could use some help in persuading markets of Franco-German solidarity other than through currency intervention.

It must, in part, keep its interest rate up to prevent its intervention on behalf of the franc from fueling even more rapid growth in the German money supply, feared by Bundesbank officials as a sign that inflation remains out of control.

Monday's side-by-side defense of the French currency was confirmed by the Bundesbank, which said it had been buying francs. The Bank of France, following its usual practice, declined to comment. But traders said the central bank bought francs after the currency fell to 341.60 per mark in the morning.

The franc's floor within the European Monetary System is 3.4305 francs to the mark.

The Bank of France left its key intervention rate at 9.1 percent Monday, but cut it for Tuesday was pushed up to 12 percent. Last week, the central bank lent huge amounts of short-term cash at 10 percent — 167 billion francs (\$29.8 billion) — much of which is likely to be used to speculate against the currency.

In Dublin, dealers said currency trading in the pound was extremely thin. Three-month money markets in Ireland are ranging between 28 percent and 33 percent, yet the pound is trading at 2.6275 marks, close to its floor of 2.6190 within the exchange-rate mechanism.

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Strong Dollar Knocks Nearly \$5 Off Gold

NEW YORK — The price of gold tumbled sharply here Monday, following a similar drop in London, as major producers unloaded supplies to take advantage of the strong dollar.

Dealers said the weakness of the gold market for most of last year appeared set to persist into 1993 and provoke fresh declines.

Gold for January delivery dropped \$4.70 to \$328.10 on the New York Commodity Exchange.

At the London afternoon fix, gold stood \$4.65 lower at \$328.25 an ounce, its weakest finish since January 1986. At its previous fixing on Thursday morning, gold was at \$332.90.

Analysts point to the recent strength of the U.S. dollar, which has driven gold higher in terms of South African rand and the Australian dollar and spurred sales by these major gold producers in order to ensure firm local prices.

There also was clear evidence of speculative Middle East selling, dealers said.

World Stock Markets

Table showing World Stock Markets for various regions like Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Paris, Singapore, Stockholm, Toronto, Zurich, and Johannesburg.

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Stock Indexes

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# Hoogovens Paints Picture Of Another Bleak Year

**Bloomberg Business News**  
**BEVERWIJK, Netherlands** — Hoogovens NV expects the early months of 1993 to be as tough as last year, the steel and aluminum producer said Monday.

The statement, part of the year-end address to employees by the chairman, M.C. Van Veen, had an impact on Hoogovens's stock, which fell 1.10 guilders to 21.90 guilders (\$12.10).

Last Oct. 28, Hoogovens said it expected to report a 1992 net loss of 250 million guilders on ordinary business activities.

The new statement said that Hoogovens "sees no improvement in the early months of 1993" in the market for steel and aluminum. Even if economies recover, "it would probably be several months before this was reflected in stronger demand for steel and aluminum," it said.

The American steel market may hold "unpleasant surprises" in 1993, Mr. Van Veen said. The U.S. government has lodged complaints that West European steelmakers, including Hoogovens, are dumping their products on the U.S. market.

# DUTCH: Investors Need Patience

**(Continued from first finance page)**  
 forecasts that Dutch long-term interest rates will fall to a range of 6.75 percent to 7 percent next year, are not particularly dramatic, with rates already down to around 7.2 percent.

Mr. Tuin expects earnings of Dutch companies to have fallen by an average of about 5 percent in 1992. For 1993, he expects flat earnings, with a clear recovery only in 1994.

For the top 60 Dutch companies, Mr. Menco estimates flat earnings for 1992, excluding extraordinary items, and a 4 percent improvement in 1993.

Mr. Tuin said that excluding

Royal Dutch Petroleum Co., which has a 35 percent weighting in the CBS General Index, the market's average price/earnings ratio is 9.2, "which is certainly not low historically for Amsterdam but is not really expensive," he said. Dividend yields average 4.2 percent.

The unpredictable risk element in 1993 will be political, he said. Much will depend on events in Eastern Europe and the former Yugoslavia.

Cyclical factors that analysts see offering potential next year include the chemical, paper and construction sectors, and niche companies such as VMF Stork NV and Océ-Van Der Grinten NV.

# NASDAQ

**Monday's Prices**  
 NASDAQ prices at 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Symbol	High	Low	Open	Close	Change
AA	14 1/4	14 1/4	14 1/4	14 1/4	0
ABB	14 1/4	14 1/4	14 1/4	14 1/4	0
ABC	14 1/4	14 1/4	14 1/4	14 1/4	0
ABT	14 1/4	14 1/4	14 1/4	14 1/4	0
AC	14 1/4	14 1/4	14 1/4	14 1/4	0
AD	14 1/4	14 1/4	14 1/4	14 1/4	0
AE	14 1/4	14 1/4	14 1/4	14 1/4	0
AF	14 1/4	14 1/4	14 1/4	14 1/4	0
AG	14 1/4	14 1/4	14 1/4	14 1/4	0
AH	14 1/4	14 1/4	14 1/4	14 1/4	0
AI	14 1/4	14 1/4	14 1/4	14 1/4	0
AJ	14 1/4	14 1/4	14 1/4	14 1/4	0
AK	14 1/4	14 1/4	14 1/4	14 1/4	0
AL	14 1/4	14 1/4	14 1/4	14 1/4	0
AM	14 1/4	14 1/4	14 1/4	14 1/4	0
AN	14 1/4	14 1/4	14 1/4	14 1/4	0
AO	14 1/4	14 1/4	14 1/4	14 1/4	0
AP	14 1/4	14 1/4	14 1/4	14 1/4	0
AQ	14 1/4	14 1/4	14 1/4	14 1/4	0
AR	14 1/4	14 1/4	14 1/4	14 1/4	0
AS	14 1/4	14 1/4	14 1/4	14 1/4	0
AT	14 1/4	14 1/4	14 1/4	14 1/4	0
AV	14 1/4	14 1/4	14 1/4	14 1/4	0
AW	14 1/4	14 1/4	14 1/4	14 1/4	0
AX	14 1/4	14 1/4	14 1/4	14 1/4	0
AY	14 1/4	14 1/4	14 1/4	14 1/4	0
AZ	14 1/4	14 1/4	14 1/4	14 1/4	0
BA	14 1/4	14 1/4	14 1/4	14 1/4	0
BB	14 1/4	14 1/4	14 1/4	14 1/4	0
BC	14 1/4	14 1/4	14 1/4	14 1/4	0
BD	14 1/4	14 1/4	14 1/4	14 1/4	0
BE	14 1/4	14 1/4	14 1/4	14 1/4	0
BF	14 1/4	14 1/4	14 1/4	14 1/4	0
BG	14 1/4	14 1/4	14 1/4	14 1/4	0
BH	14 1/4	14 1/4	14 1/4	14 1/4	0
BI	14 1/4	14 1/4	14 1/4	14 1/4	0
BJ	14 1/4	14 1/4	14 1/4	14 1/4	0
BK	14 1/4	14 1/4	14 1/4	14 1/4	0
BL	14 1/4	14 1/4	14 1/4	14 1/4	0
BM	14 1/4	14 1/4	14 1/4	14 1/4	0
BN	14 1/4	14 1/4	14 1/4	14 1/4	0
BO	14 1/4	14 1/4	14 1/4	14 1/4	0
BP	14 1/4	14 1/4	14 1/4	14 1/4	0
BQ	14 1/4	14 1/4	14 1/4	14 1/4	0
BR	14 1/4	14 1/4	14 1/4	14 1/4	0
BS	14 1/4	14 1/4	14 1/4	14 1/4	0
BT	14 1/4	14 1/4	14 1/4	14 1/4	0
BV	14 1/4	14 1/4	14 1/4	14 1/4	0
BW	14 1/4	14 1/4	14 1/4	14 1/4	0
BX	14 1/4	14 1/4	14 1/4	14 1/4	0
BY	14 1/4	14 1/4	14 1/4	14 1/4	0
BZ	14 1/4	14 1/4	14 1/4	14 1/4	0
CA	14 1/4	14 1/4	14 1/4	14 1/4	0
CB	14 1/4	14 1/4	14 1/4	14 1/4	0
CC	14 1/4	14 1/4	14 1/4	14 1/4	0
CD	14 1/4	14 1/4	14 1/4	14 1/4	0
CE	14 1/4	14 1/4	14 1/4	14 1/4	0
CF	14 1/4	14 1/4	14 1/4	14 1/4	0
CG	14 1/4	14 1/4	14 1/4	14 1/4	0
CH	14 1/4	14 1/4	14 1/4	14 1/4	0
CI	14 1/4	14 1/4	14 1/4	14 1/4	0
CJ	14 1/4	14 1/4	14 1/4	14 1/4	0
CK	14 1/4	14 1/4	14 1/4	14 1/4	0
CL	14 1/4	14 1/4	14 1/4	14 1/4	0
CM	14 1/4	14 1/4	14 1/4	14 1/4	0
CN	14 1/4	14 1/4	14 1/4	14 1/4	0
CO	14 1/4	14 1/4	14 1/4	14 1/4	0
CP	14 1/4	14 1/4	14 1/4	14 1/4	0
CQ	14 1/4	14 1/4	14 1/4	14 1/4	0
CR	14 1/4	14 1/4	14 1/4	14 1/4	0
CS	14 1/4	14 1/4	14 1/4	14 1/4	0
CT	14 1/4	14 1/4	14 1/4	14 1/4	0
CV	14 1/4	14 1/4	14 1/4	14 1/4	0
CW	14 1/4	14 1/4	14 1/4	14 1/4	0
CX	14 1/4	14 1/4	14 1/4	14 1/4	0
CY	14 1/4	14 1/4	14 1/4	14 1/4	0
CZ	14 1/4	14 1/4	14 1/4	14 1/4	0
DA	14 1/4	14 1/4	14 1/4	14 1/4	0
DB	14 1/4	14 1/4	14 1/4	14 1/4	0
DC	14 1/4	14 1/4	14 1/4	14 1/4	0
DD	14 1/4	14 1/4	14 1/4	14 1/4	0
DE	14 1/4	14 1/4	14 1/4	14 1/4	0
DF	14 1/4	14 1/4	14 1/4	14 1/4	0
DG	14 1/4	14 1/4	14 1/4	14 1/4	0
DH	14 1/4	14 1/4	14 1/4	14 1/4	0
DI	14 1/4	14 1/4	14 1/4	14 1/4	0
DJ	14 1/4	14 1/4	14 1/4	14 1/4	0
DK	14 1/4	14 1/4	14 1/4	14 1/4	0
DL	14 1/4	14 1/4	14 1/4	14 1/4	0
DM	14 1/4	14 1/4	14 1/4	14 1/4	0
DN	14 1/4	14 1/4	14 1/4	14 1/4	0
DO	14 1/4	14 1/4	14 1/4	14 1/4	0
DP	14 1/4	14 1/4	14 1/4	14 1/4	0
DQ	14 1/4	14 1/4	14 1/4	14 1/4	0
DR	14 1/4	14 1/4	14 1/4	14 1/4	0
DS	14 1/4	14 1/4	14 1/4	14 1/4	0
DT	14 1/4	14 1/4	14 1/4	14 1/4	0
DV	14 1/4	14 1/4	14 1/4	14 1/4	0
DW	14 1/4	14 1/4	14 1/4	14 1/4	0
DX	14 1/4	14 1/4	14 1/4	14 1/4	0
DY	14 1/4	14 1/4	14 1/4	14 1/4	0
DZ	14 1/4	14 1/4	14 1/4	14 1/4	0
EA	14 1/4	14 1/4	14 1/4	14 1/4	0
EB	14 1/4	14 1/4	14 1/4	14 1/4	0
EC	14 1/4	14 1/4	14 1/4	14 1/4	0
ED	14 1/4	14 1/4	14 1/4	14 1/4	0
EE	14 1/4	14 1/4	14 1/4	14 1/4	0
EF	14 1/4	14 1/4	14 1/4	14 1/4	0
EG	14 1/4	14 1/4	14 1/4	14 1/4	0
EH	14 1/4	14 1/4	14 1/4	14 1/4	0
EI	14 1/4	14 1/4	14 1/4	14 1/4	0
EJ	14 1/4	14 1/4	14 1/4	14 1/4	0
EK	14 1/4	14 1/4	14 1/4	14 1/4	0
EL	14 1/4	14 1/4	14 1/4	14 1/4	0
EM	14 1/4	14 1/4	14 1/4	14 1/4	0
EN	14 1/4	14 1/4	14 1/4	14 1/4	0
EO	14 1/4	14 1/4	14 1/4	14 1/4	0
EP	14 1/4	14 1/4	14 1/4	14 1/4	0
EQ	14 1/4	14 1/4	14 1/4	14 1/4	0
ER	14 1/4	14 1/4	14 1/4	14 1/4	0
ES	14 1/4	14 1/4	14 1/4	14 1/4	0
ET	14 1/4	14 1/4	14 1/4	14 1/4	0
EV	14 1/4	14 1/4	14 1/4	14 1/4	0
EW	14 1/4	14 1/4	14 1/4	14 1/4	0
EX	14 1/4	14 1/4	14 1/4	14 1/4	0
EY	14 1/4	14 1/4	14 1/4	14 1/4	0
EZ	14 1/4	14 1/4	14 1/4	14 1/4	0
FA	14 1/4	14 1/4	14 1/4	14 1/4	0
FB	14 1/4	14 1/4	14 1/4	14 1/4	0
FC	14 1/4	14 1/4	14 1/4	14 1/4	0
FD	14 1/4	14 1/4	14 1/4	14 1/4	0
FE	14 1/4	14 1/4	14 1/4	14 1/4	0
FF	14 1/4	14 1/4	14 1/4	14 1/4	0
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FQ	14 1/4	14 1/4	14 1/4	14 1/4	0
FR	14 1/4	14 1/4	14 1/4	14 1/4	0
FS	14 1/4	14 1/4	14 1/4	14 1/4	0
FT	14 1/4	14 1/4	14 1/4	14 1/4	0
FV	14 1/4	14 1/4	14 1/4	14 1/4	0
FW	14 1/4	14 1/4	14 1/4	14 1/4	0
FX	14 1/4	14 1/4	14 1/4	14 1/4	0
FY	14 1/4	14 1/4	14 1/4	14 1/4	0
FZ	14 1/4	14 1/4	14 1/4	14 1/4	0
GA	14 1/4	14 1/4	14 1/4	14 1/4	0
GB	14 1/4	14 1/4	14 1/4	14 1/4	0
GC	14 1/4	14 1/4	14 1/4	14 1/4	0
GD	14 1/4	14 1/4	14 1/4	14 1/4	0
GE	14 1/4	14 1/4	14 1/4	14 1/4	0
GF	14 1/4	14 1/4	14 1/4	14 1/4	0
GG	14 1/4	14 1/4	14 1/4	14 1/4	0
GH	14 1/4	14 1/4	14 1/4	14 1/4	0
GI	14 1/4	14 1/4	14 1/4	14 1/4	0
GJ	14 1/4	14 1/4	14 1/4	14 1/4	0
GK	14 1/4	14 1/4	14 1/4	14 1/4	0
GL	14 1/4	14 1/4	14 1/4	14 1/4	0
GM	14 1/4	14 1/4	14 1/4	14 1/4	0
GN	14 1/4	14 1/4	14 1/4	14 1/4	0
GO	14 1/4	14 1/4	14 1/4	14 1/4	0
GP	14 1/4	14 1/4	14 1/4	14 1/4	0
GQ	14 1/4	14 1/4	14 1/4	14 1/4	0
GR	14 1/4	14 1/4	14 1/4	14 1/4	0
GS	14 1/4	14 1/4	14 1/4	14 1/4	0
GT	14 1/4	14 1/4	14 1/4	14 1/4	0
GV	14 1/4	14 1/4	14 1/4	14 1/4	0
GW	14 1/4	14 1/4	14 1/4	14 1/4	0
GX	14 1/4	14 1/4	14 1/4	14 1/4	0
GY	14 1/4	14 1/4	14 1/4	14 1/4	0
GZ	14 1/4	14 1/4	14 1/4	14 1/4	0
HA	14 1/4	14 1/4	14 1/4	14 1/4	0
HB	14 1/4	14 1/4	14 1/4	14 1/4	0
HC	14 1/4	14 1/4	14 1/4	14 1/4	0
HD	14 1/4	14 1/4	14 1/4	14 1/4	0
HE	14 1/4	14 1/4	14 1/4	14 1/4	0
HF	14 1/4	14 1/4	14 1/4	14 1/4	0
HG	14 1/4	14 1/4	14 1/4	14 1/4	0
HH	14 1/4	14 1/4	14 1/4	14 1/4	0
HI	14 1/4	14 1/4			

Daewoo to Spin Off Subsidiary

Move Signals Start of Effort to Dismantle Huge Groups

SEOUL — The head of the Daewoo Group announced plans on Monday to spin off at least one of the conglomerate's subsidiaries as the first step in a campaign to separate management from ownership.

India Alumina Makers Seek to Triple Output

BOMBAY — Indian companies are planning to more than triple the country's alumina output to exploit large bauxite reserves in the eastern state of Orissa.

separate at least one Daewoo company from the group, giving it total rights over its management and capital.

But economist said Mr. Kim of Daewoo was looking more for ways of shoring up his financially stretched business empire and doubted he was willingly looking to surrender control.

China's Banker Cites Stock Abuses

HONG KONG — The head of the People's Bank of China, Li Guixian, has called for a temporary halt in the issuing of company shares and hinted that abuse of authority had led to improper personal gain, a report said Monday.

The central-bank chief charged that such practices "could easily enhance the abuse of power for personal gain."

Private-Sector Firms Get Green Light

HONG KONG — A senior Chinese official has unveiled a package of regulations that would give private companies the same privileges as state-run enterprises, the official China Daily reported Monday.

Investor's Asia table with columns for Hong Kong Hang Seng, Singapore Straits Times, Tokyo Nikkei 225, and various regional indices with their respective values and changes.

Very briefly: Hitachi Chemical Co. said it had developed the world's first rewritable optical disk that can be read by compact disc players already on the market.

Li: China Leader Meets Hong Kong Tycoon in Shenzhen

(Continued from first finance page) of just 954 million dollars (\$123 million), the slowest day's trading in a year, and analysts said this thinness had exaggerated the movement.

HSBC Seeks to Expand Bank Operations in U.S.

HONG KONG — HSBC Holdings wants to expand its operations in the United States through its Marine Midland Bank unit, which plans to acquire a multiple branch bank or savings-and-loan institution in its home state of New York this year, the South China Morning Post reported on Monday.

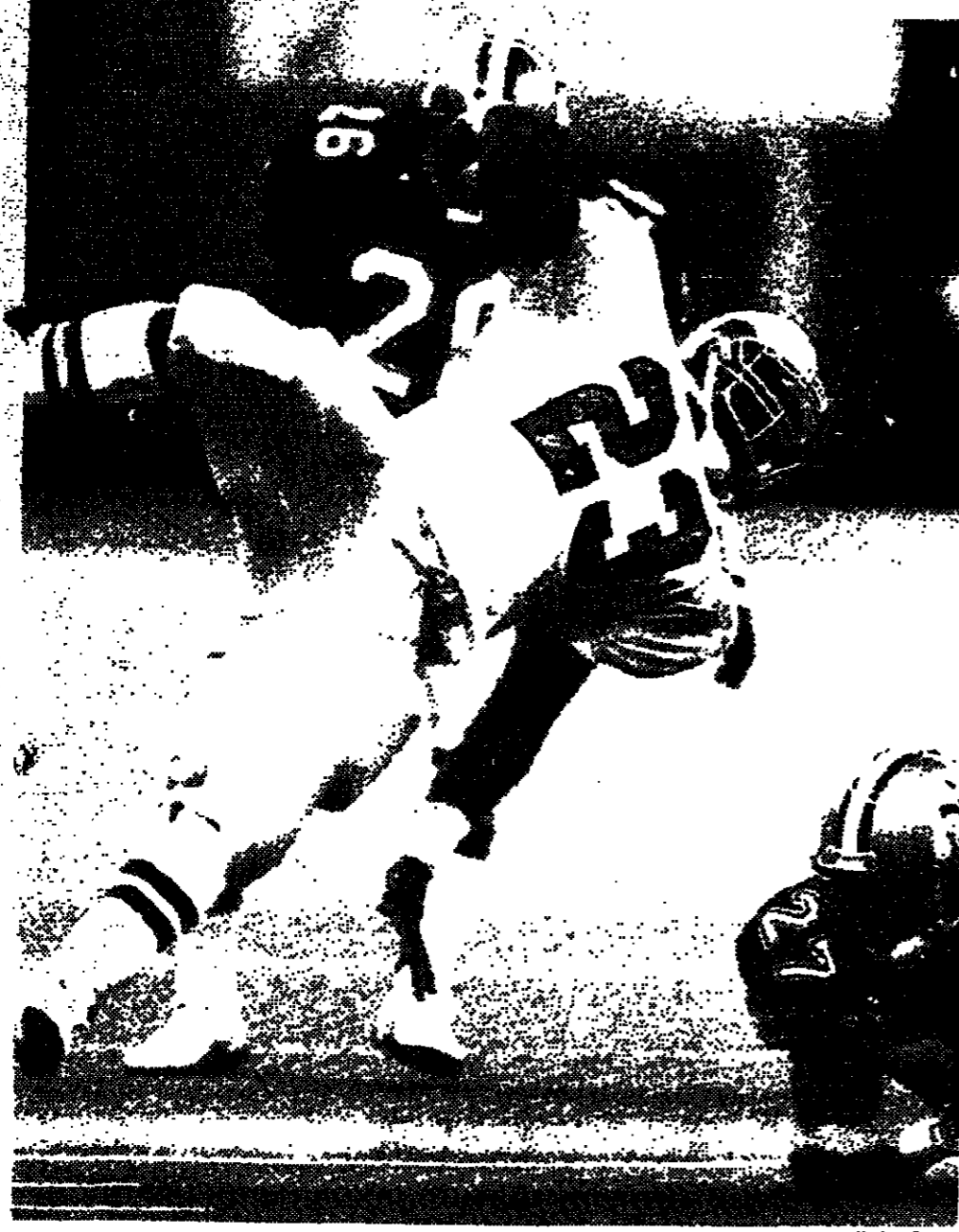
Large table titled 'INTERNATIONAL FUNDS' with columns for fund names, currencies, and dates. It lists numerous international investment funds and their performance metrics.

For information on how to list your fund, fax Simon OSBORN on (33-1) 46 37 21 33.



SPORTS

Saints, Poor Devils, Let Eagles Come Soaring Back to Victory



Heath Sherman flew through the Saints for 105 yards and one touchdown on 21 carries.

29-Point Spree And It's 36-20

By Gene Wojciechowski

NEW ORLEANS — His team down by 10 points, his offense a virtual first half no-show, his celebrated defense confused, the Philadelphia Eagles' coach, Rich Kotite, searched for the perfect way to end his halftime speech.

And then he remembered Buffalo — as in the Bills. As in the same team that had overcome a 33-point halftime deficit earlier in the day to win its American Football Conference playoff game against the Houston Oilers.

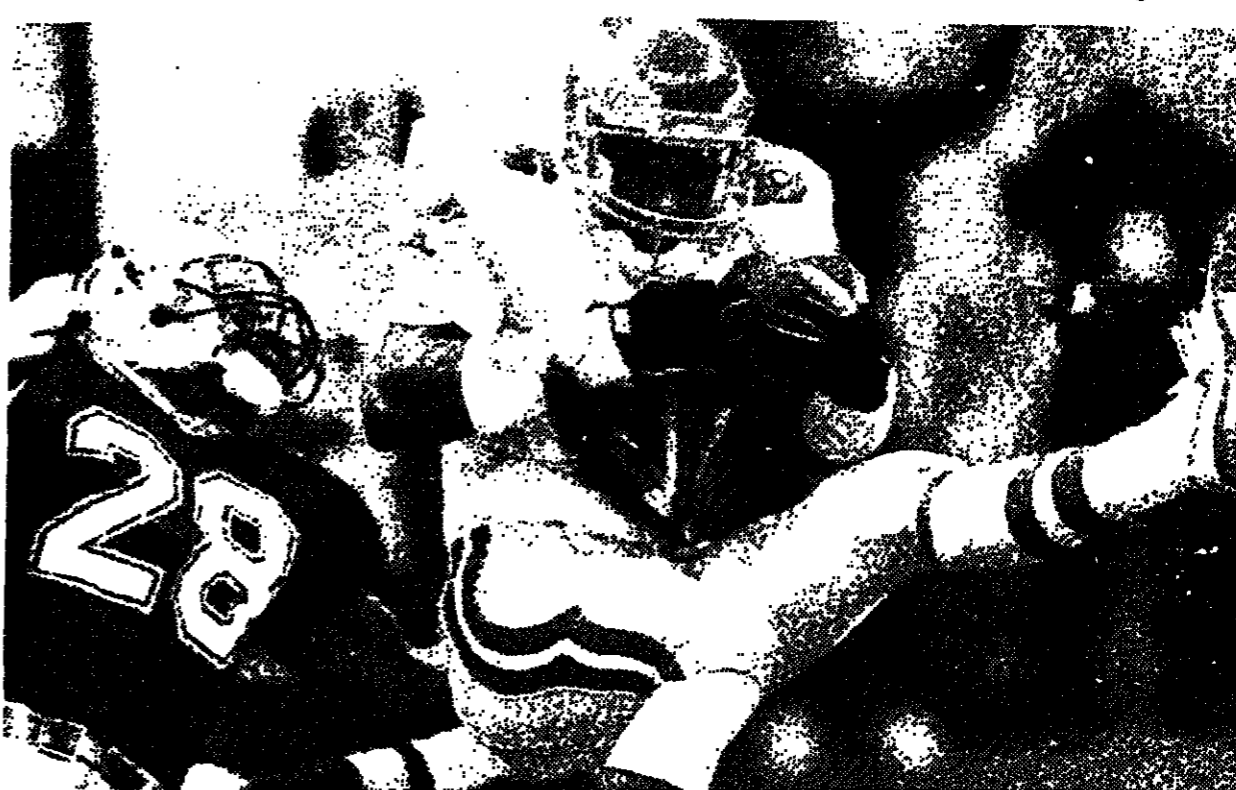
As the Eagles made their way to the locker room door for the start of the third quarter, Kotite reminded them of the Bills' remarkable comeback. If Buffalo could do it, he said, then so could Philadelphia in its first-round National Conference playoff game against the New Orleans Saints.

"We're down 10," Kotite said. "What's the big deal?" Good listeners, these Eagles. By game's end Sunday evening they had a 36-20 victory to call their own and their first playoff success since 1981. At last they had a small measure of vindication for past postseason mistakes and more important, a date with the Dallas Cowboys next week in Irving, Texas.

The Saints were not as fortunate. They never are. Four times they have advanced to the playoffs and four times they have left befuddled losers. They remain the only team in National Football League history without a postseason victory.

In 1987, they blamed the players strike for their loss to the Minnesota Vikings. In 1990, they reminded anyone who would listen that quarterback Bobby Hebert, embroiled in a nasty contract stalemate, was unavailable for a loss to the Chicago Bears. In 1991, they sadly pointed out the absence of three starting defensive backs in their defeat to the Atlanta Falcons.

This time there could be no excuses. After all, New Orleans led at halftime, 17-7, and appeared to have the game well under control. Running back Dalton Hilliard was out with a hand injury, but no one seemed to



Fred Barnett, beating Gene Atkins for one of his two touchdowns, caught just four passes, but they accounted for 102 yards.

notice. The vaunted defense, which featured four Pro Bowl selections, was making the afternoon a long one for the Eagles' quarterback, Randall Cunningham. And Hebert, given the freedom to throw downfield, had picked apart the Philadelphia secondary.

But then came Kotite's little halftime history lesson and later came a 29-0 scoring spree that left the Saints wondering how they had ever led this game in the first place. "You look at our season and you say, 'Great job,'" said linebacker Sam Mills, whose Saints finished 12-5. "You look at our postseason and you say, 'Disgusting second half.' I felt like this was the best team of our four playoff teams. To let it get away like this, that's just unbelievable."

In fact, New Orleans extended its lead to 20-7 shortly into the third quarter. All things considered, it should have been enough of a margin for the defense to protect.

Instead, Cunningham began finding openings. Running back Heath Sherman began gaining yards. The Eagles, improving to 12-5, began scoring points.

A 40-yard field goal here. A 35-yard touchdown pass to Fred Barnett there. The scoring barrage was on.

Sherman sprinted six yards for another touchdown. Hebert was sacked for a safety. Two more points. Roger Ruzek kicked another field goal, this one from 39 yards. Cornerback Eric Allen picked off a bad pass by Hebert and ran the interception 18 yards for another touchdown.

wasn't in the plan for him to carry the ball as much as he did. But he had a hot hand and we went to him."

Cunningham, who had a miserable first half, finished with 19 completions, 219 yards and two touchdowns passes, both to Barnett. Barnett had just four catches, but they accounted for 102 yards.

"I'm happy for Randall," said linebacker Seth Joyner, whose fourth-quarter interception of another Hebert pass led to a Philadelphia score. "I get sick of hearing our quarterback can't win the big ones. I'm tired of hearing that the Philadelphia Eagles can't win the big ones. Maybe they'll can't win the big ones."

As for the Saints, the criticism and second-guessing will continue long into the off-season. To come so close, blow a lead and then get blown away...

It Was a Game to Remember

By Dave Anderson

ORCHARD PARK, N.Y. — As soon as Steve Christie's 32-yard field goal sailed between the yellow goal posts, the yelling, cheering and shouting began. Buffalo was celebrating one of the greatest comebacks in sports history and the greatest comeback in National Football League history.

After trailing the Houston Oilers, 35-3, early in the third quarter on Sunday, the Bills produced a theatrical 41-38 overtime triumph in the first round of the Super Bowl XXVII playoffs.

"I'll tell my grandchildren about this," one man in the crowd said. "That I was here." His grandchildren won't believe him. Just as at halftime even the Bills' loyalists didn't believe the team would win without two of their best players, quarterback Jim Kelly and linebacker Cornelius Bennett. Not against a team that had toyed with the Bills, 27-3, a week ago.

Sellouts of 80,000 are a tradition at Rich Stadium, but on Sunday nearly 5,000 tickets went unsold, creating a rare local television blackout for a game that is now etched into the marble of not merely pro football history, but sports history.

With a second-string quarterback, Frank Reich, completing 21 of 34 passes for 289 yards, the Bills finally went ahead, 38-35, late in the fourth quarter on his fourth touchdown pass, a 17-yard dart to Andre Reed in the end zone. Al Del Greco's 26-yard field goal then gave the Oilers a 38-38 tie with 12 seconds left.

The Oilers won the overtime coin toss, but cornerback Nate Odomes' interception of Warren Moon's pass set up Christie's winning field goal after 3 minutes, 6 seconds. That's when the noise from 75,141 spectators began. That's when the Bills' triumph joined some of the other celebrated comebacks in sports history.

Until Sunday, the 1980 San Francisco 49ers, with Joe Montana at quarterback, had generated the NFL's biggest comeback: a 38-35 victory in New Orleans after having trailed by 28 points, 35-7. The Philadelphia Eagles made quite a comeback Sunday, too. But it hardly ranked with what the Bills accomplished.

In baseball, the 1925 World Series turned when Connie Mack's Philadelphia Athletics, behind by 8-0 in the fourth game, scored 10 runs in the bottom of the seventh inning for a 10-8 victory over the Chicago Cubs.

IN GOLF, Billy Casper trailed Arnold Palmer by seven strokes with eight holes left in the final round of the 1966 U.S. Open, but shot 32 to Palmer's 39 for a 72-hole tie, then won in an 18-hole playoff.

In tennis, Manuel Orantes of Spain was losing to Guillermo Vilas of Argentina, two sets and 0-2 in the third in the 1975 U.S. Open semifinals, but rallied for a five-set victory en route to the men's singles title.

In college football, oddly enough, Frank Reich engineered the most memorable comeback. As the second-string quarterback at the University of Mary-

land in 1984, he came off the bench at the start of the second half with the University of Miami leading, 31-0, and helped produce a 42-40 victory.

"At halftime, Gale Gilbert reminded me of that," Reich was saying now, referring to the Bills' third quarterback. "He told me, 'You did it in college, you can do it again.'"

When Reich threw an interception that the Oilers' safety, Bubba McDowell, returned 58 yards for a 35-3 lead, even Reich wasn't so sure. But in 4 1/2 minutes he produced three touchdowns, two on passes to Don Beebe and Reed. By then, some of the early deserters were sneaking back into the chilly stadium.

"That's when I knew we had a chance," Reich said. "It was 35-24 with over a quarter left. The only thing that concerned me was that we were going into the wind in the last quarter."

That meant that the Oilers now had a strong wind behind them. But by then the Bills' defense, after a halftime harangue by its coordinator, Walt Corey, had begun to put Moon in eclipse.

"In the playoffs," Corey explained, "football is a game of attitude. We were letting the Oilers control the tempo of the game. Too many times you talk a better game than you're playing. Sometimes, when you talk to people, they think they're listening, but they don't hear you. I think they heard me at halftime. I told 'em, 'I love you, but if you don't start playing, I'll kick you.'"

EVEN SO, when the Oilers took that 35-3 lead, some teams would have surrendered. Especially when Thurman Thomas, the Bills' best running back, and a dangerous pass-receiver, had limped off with a damaged hip.

"The natural tendency is to give up, but we didn't," said Dick Hull, the Bills' center. "Frank Reich had great composure. He never got rattled. When they shifted defenses on him, he called the correct audibles. And our defense shut down the Oilers offense."

Moon completed 36 of 50 passes for 371 yards and four touchdowns, all in the first half. But now the Oilers will be remembered as those 1929 Chicago Cubs have been remembered: as the victims of a historic comeback.

"We'll watch the films tomorrow and get sick all over again," Mike Holovac, the Oilers' general manager, said in their almost silent locker room. "Players are players. They'll go home; they won't give it a thought. It's the coaches who live and die with it."

By now Rich Stadium was empty, but in the parking lots the Bills' fans were banking their horns. Honking in sheer celebration.

"The fans know we're not coming back," Kent Hull was saying, alluding to the Bills' trip to Pittsburgh for Saturday's divisional playoff there. "They're trying to get it all in now. The fans were great during the game. They knew just when to help us with all that noise."

If only all those fans' unborn grandchildren could hear that noise.

NFL Playoff Picture table with columns for First-Round Games, Second-Round Games, Conference Titles, and Super Bowl XXVII.

INTERNATIONAL CLASSIFIED

Advertisement for 'Today's Education Directory' featuring various international services like real estate, business opportunities, and education.

France Defeats U.S. and Joins Spain in Hopman Semifinals

PERTH, Australia — Guy Forget and Nathalie Tauziat pulled off an emphatic upset in mixed doubles Monday to give France a 2-1 victory over the United States in the quarterfinals of the Hopman Cup tennis tournament.

Alabama's Stallings, Having Won Title, Has Hernia Surgery

BIRMINGHAM, Alabama — Gene Stallings, coach of Alabama's national championship college football team, underwent hernia surgery Monday and was listed in satisfactory condition.

Advertisement for 'TO OUR READERS IN FRANCE' featuring subscription information and contact details for the International Herald Tribune.

ART BUCHWALD

Pardon Me, Mr. Clinton

WASHINGTON — While many were chosen to fill President-elect Clinton's top administration slots...



Art Buchwald

Clinton said, "I'll be honest with you, I haven't given that much thought to presidential pardons...

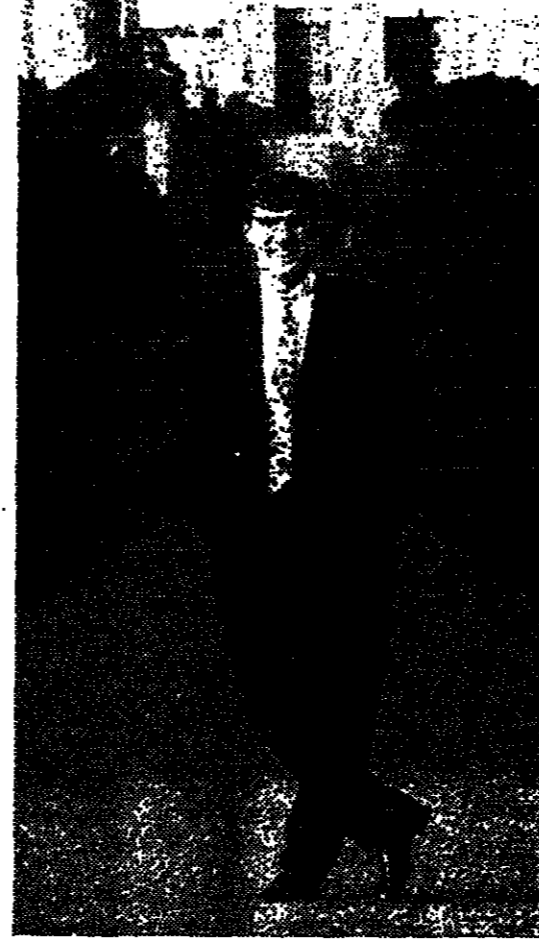
Eastwood Film Is Critics' Choice

NEW YORK — Clint Eastwood's "Unforgiven," a bleak western about frontier justice...

Andrew Morton and Diana: His True Story

By Alex Witchel New York Times Service

LEEDS, England — There's just no accounting for destiny. Andrew Morton, the author of "Diana: Her True Story..."



Andrew Morton outside Windsor Castle.

But Morton's mother has suddenly taken ill, and he finds himself abruptly back here, giving interviews in the working-class town where he grew up...

When the book was published in June by Michael O'Mara in London, Buckingham Palace tried to discredit it, taking the position that the princess was emotionally unbalanced...

There is a remarkable symmetry between Morton, 38, and the Princess of Wales, 31; they both broke the establishment's rules and got away with it...

Morton studied history at Sussex University. He was a news reporter at the Daily Star in London before being promoted to royal correspondent...

writing books on the side until he became a free-lancer in 1988.

"I've gone from being an observer to one of the players," he said. Although he acknowledges that he has never spoken with her directly...

Morton is regarded with terrible envy by many colleagues for his good fortune. The book has been translated into 24 languages, and the profits are estimated to be \$2 million to \$5 million...

"The old Britain showed knee-jerk complacency toward the establishment, no matter the price," he says.

whose father died recently, and she had to pay £10,000 tax. She said, "I'm writing a note to say this money is not to go to repairing Windsor Castle after the fire..."

The latest development of note in the royal family saga has been what the British press is calling "Camillagate," a tape of a phone conversation between Charles and Camilla Parker-Bowles...

"One can only surmise," Morton said, "but Prince Charles is a man of familiarity. Camilla is like an old Labrador, really, who comes to heel when called..."

The contents of the Camillagate tape have yet to be printed, unlike those of the "Squidgy" tape, in which James Gilbey is supposed to have called Diana "Squidgy" as an endearment...

"Charles is to have said something like, 'I'd like to be inside your trousers,'" Morton says. In an account in The Star, the prince was quoted as saying, "In another life I should like to come back as your trousers..."

Morton said that what he found most shocking in his research was the continuing lack of support shown the princess by the royal family. "Checkout girls in the supermarket get more training for their jobs than Diana did..."

Another weakness, he said, is that the palace and the British press alike are frozen in time on the issue of women.

"Since the separation announcement, the basically male-dominated media has come full circle on Diana," he said. "She's gone from the royal equivalent of Marilyn Monroe to Lucretia Borgia, from dumb blonde to blonde manipulator..."

"Because today we are seeing the cultural empowerment of women in England. And 1992 has been a significant year in the development of the women's movement. We learned that princesses have rights, too."

PEOPLE

Elvis Reborn (Sort of)

For 58th Birthday Bash Elvis lives! Or rather, the master tape from a 1973 concert survives, which is enough to allow him to perform this week with the Memphis Symphony...

Jane Fonda, the dean of all movie star-aerobics instructors, says she no longer works out four hours a day in an obsessive quest for thinness...

Elton John says that alcohol and drug addiction turned him into "a monster" who abused family and friends. "My disease was so rampant in me that I thought..."

Former Presidents Jimmy Carter and Ronald Reagan have been awarded the first Matsunaga Medals of Peace by the U.S. Peace Institute...

INTERNATIONAL CLASSIFIED Appears on Pages 15 & 24

WEATHER

Table with weather forecasts for Europe, including High/Low temperatures and precipitation chances for various countries.

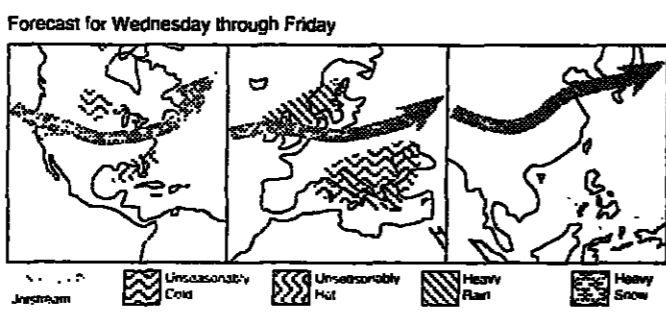


Table with weather forecasts for Asia, including High/Low temperatures and precipitation chances for various countries.

Table with weather forecasts for North America, including High/Low temperatures and precipitation chances for various cities.

Table with weather forecasts for Africa, including High/Low temperatures and precipitation chances for various cities.

CROSSWORD

ACROSS 1 Within Prefix 5 Five-time Presidential candidate 10 Cry of sorrow 14 More unusual 15 Part of O.E.D. 16 Quaker leader 17 Steeple 18 Quote 19 This, in Avila

Crossword puzzle grid with clues and a solution to a previous puzzle.

Chess puzzle diagram showing a chessboard position and a list of moves.

BRIDGE

ROUND UP THE USUAL SUSPECTS: The Making of "Casablanca" — Bogart, Bergman and World War II

an expatriate American club-owner whose customers include refugees from the war in Europe. "Rick's" took on a new urgency on the day after the bombing of Pearl Harbor.

who "spoke five languages, all of them equally badly." Curtiz added one key ingredient to the mix: He could "disguise the absurdities of a story by rushing the audience past them."

gressive 8...e5, which is solid enough after 9 d Nd5 10 Nd4 f6. After 14...Qd7, Kaidanov pretty much had to open the center with 15 d4 cd 16 cd, if he wanted to stir things up.

Kaidanov was going to pile up on the pinned f5 knight and exchange it to break up Gurevich's king position. This was the moment of decision and the choice should have been 20...Bc7! 21 Nf4 a6 22 Nf5 g7 23 Nc3 Nd4 (or 23...Ne5). True, the black kingside is scraggly, yet Black would have had active counterplay.

26...Qf6 27 Nb7? was no solution to his problems. After 27...Rf8 28 Nd6 Re1 29 Qe1 Re2, Kaidanov ruthlessly reduced material with 30 Ne8 Qb2 31 Ng7 Kg7 (31...Rf2 leads to 32 Be3! Rg2 33 Kf1 Qc2 34 Nh5 Rh2 35 Qe8 Kh7 36 Q7mate).

Large advertisement for AT&T USA Direct Service, featuring a clock and a globe, with text: "Now good news can travel even faster." Includes a list of international access numbers and a logo.